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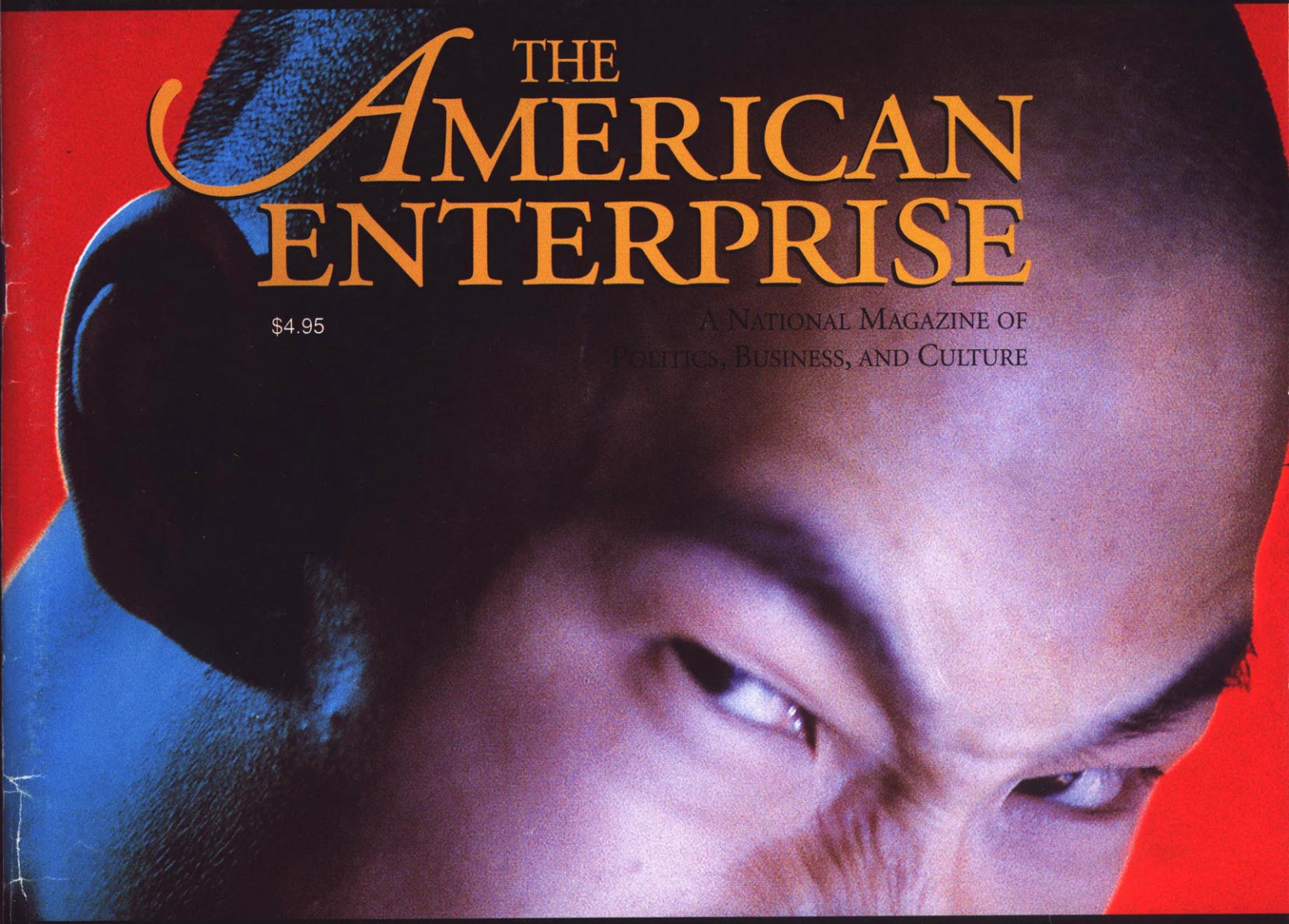

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July/August 1998

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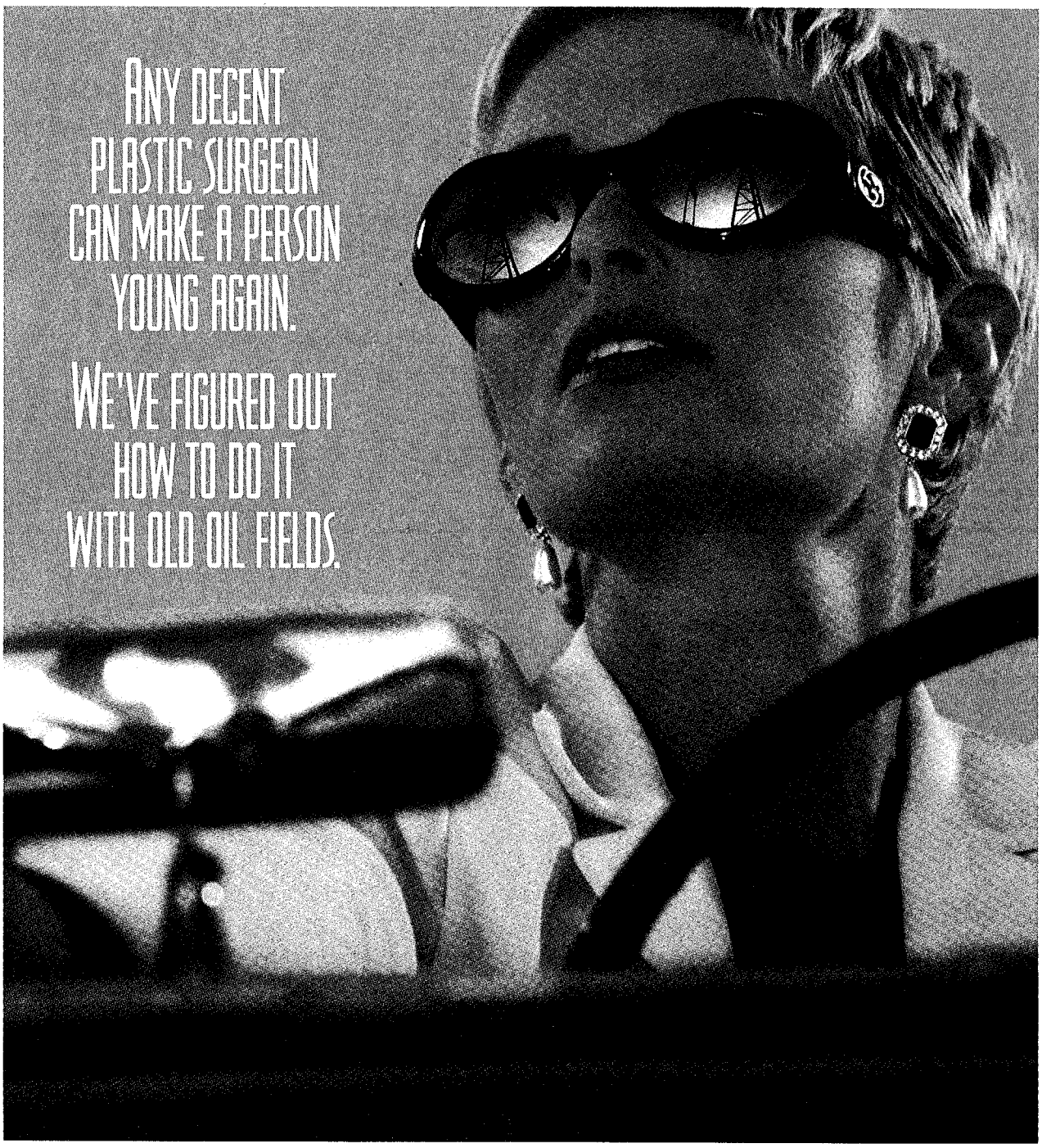

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illustration by Ralph Butler

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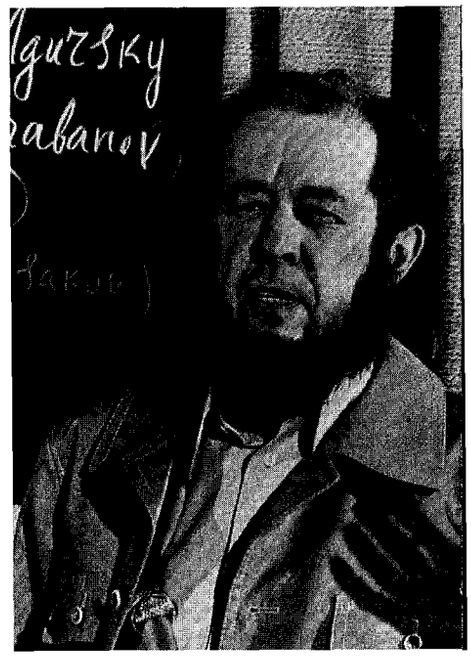

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Bird's Eye

KARL ZINSMEISTER

Why China Doesn't Scare Me

Predicting the courses of nations is not easy. Intellectual graveyards are littered with the bones of men like Paul Kennedy, the Yale historian who became a media darling in the late 1980s by insisting in his book *The Rise and Fall of Great Powers* that "the task facing American statesmen over the next decades [will be] to manage affairs so that the relative erosion of the United States' position takes place slowly and smoothly." Two years after he wrote this, the Berlin Wall was down. A little earlier, Harvard professor Ezra Vogel had become a celebrity wiseman for his book anointing *Japan as Number One*. Instead, Japan is now having a long, anesthetized nap, and her economy is about Number Thirteen, not Number One, in international competitiveness rankings.

Presently, many seers are sending out fresh warnings that in the coming decades China will be Number One. It has usually been partisans of the Left who predicted that America was about to be elbowed aside in history's march. Today, however, at least as many conservatives as liberals are painting the Dragon as a Godzilla of the twenty-first century.

I believe these alarms will prove false. China definitely bears close watching, but today's Sinophobes tend to make three mistakes: They overestimate China's strengths. They underestimate America's ability to respond. And they fail to realize that China will only become potent economically if she allows herself to become free and decentralized politically—in which case her potency would aid international prosperity and peace, not threaten it.

In the pages that follow we step away from the hubbub of current headlines and take a longer-range look at China. We asked our expert contributors to look ten and 20 years down the road and talk about how China and the U.S. will weather the forces acting below the surface of today's news blips. You will read multiple takes (some of them directly opposed to each other) on the deepest question Americans want answered about China these days: Is China going to develop into a Soviet-style threat? A Japan-like economic competitor? Or something else? Some of our conclusions will surprise you.

Over the last two decades, China has enjoyed the globe's fastest expanding economy. It was starting, however, from the lowest point imaginable, and much of the easy growth has already taken place. Have a look at the chart on page 37, and the surrounding articles. Though it hasn't sunk in with many economic journalists, the fact is that China's economy will likely top out soon unless she makes fundamental reforms in the direction of free markets.

China must make a critical choice between the mandarin model of government-directed development (which has been the undoing of nations like Japan and South Korea) and the decentralized alternative epitomized by America and Hong Kong. Summing up current Pacific economic trends, one Japanese investment analyst concluded that "The U.S. has given the world a lesson." But are the Chinese drawing the right conclusions?

There are mixed signals on which way China will go. Her current rulers are paying lip service to the idea of economic decontrol, but it's not clear they are prepared to take the dramatic (and politically portentous) steps required. There are hints they are even drawing some *wrong* lessons from the current Asian economic crisis—for instance, that currency and stock markets should be propped up by the state, that banks and critical industries must be subsidized, that weak companies should be folded into larger national

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conglomerates, that industrial and real estate overcapacity are not serious problems.

The mainland's great hope in navigating the next few years is that they have some great tutors: The capitalist wisdom accumulated in Hong Kong, Taiwan, and among the Chinese diaspora (see Joel Kotkin's feature article) represent a huge practical asset, if the mainland government will listen. It is by no means certain, however, that China will grow into a superpower over the next generation. That will depend on some fateful decisions her leaders must make relatively soon.

THE DEEPEST QUESTION AMERICANS WANT ANSWERED ABOUT CHINA THESE DAYS IS THIS: IS CHINA GOING TO DEVELOP INTO A SOVIET-STYLE THREAT? A JAPAN-LIKE ECONOMIC COMPETITOR? OR SOMETHING ELSE?

What can Americans do to improve the chances that China, however robust she turns out to be, will be friendly? To answer that, think back to American foreign policy of the 1970s and '80s. A morally crusading faction then insisted that the U.S. ought not have any truck whatever with the non-democratic nations of Latin American, the military governments in South Vietnam, South Korea, or Taiwan, the authoritarian Shah of Iran, or the apartheidists running South Africa. Against this pure-hearted advice, people like Jeane Kirkpatrick and Ronald Reagan counseled "constructive engagement," whereby the Pinochets, Somozas, de Klerks, and Chiang Ching-kuos would be slowly nudged toward civilized norms through immersion in the trade, diplomatic, military, and cultural networks of decent countries.

Practical, prudent conservatives argued that putting our relationships with these countries in the deep freeze would be counterproductive for the people involved, no matter how pristine it might make us Americans feel. Better, conservatives argued, to work with, and lean on, the Pinochets of the world. And they were right. As a result, we now have dozens of newly free and prosperous nations in places that used to be nasty and authoritarian.

Engaging with the impure sometimes requires the holding of one's nose. But what is the alternative? Those who would allow American intercourse only with the righteous would cut us off entirely from most of the Middle East, most of Africa, and many Asian nations. Such standards would make it impossible for U.S. entities to play a role in gradually converting more places to liberty as Taiwan, Chile, and South Africa were.

Worse, the pugnacity of American foreign policy crusaders can actually antagonize proud residents of other nations to the point where they become hostile to American-style politics and economics, as a kind of defense against our righteous accusations. There is a very real risk of our sparking such a reaction today in China.

Daniel Burstein and Arne de Keijzer, whose assessment of the Chinese military threat starts on page 44, elsewhere describe a Beijing meeting they staged with editors of an economic journal known as the "*Harvard Business Review*" of China. Over dinner, the question was posed to these Chinese thinkers: "You are said to be doing cutting-edge work on your nation's future. What are some of the trends you have identified?" The reply was instantaneous: "That the United States will become the enemy of China."

If you are wondering where such an idea may have come from, the answer is partly "from us." For instance, last year's much-publicized book *The Coming Conflict with China* argues that China "is bound to be no longer a strategic friend of the United States, but a long-term adversary." This same view is promoted by disparate voices like *The New Republic* and the AFL-CIO on the left, and *The Weekly Standard*, Pat Buchanan, and Gary Bauer on the right. The William Casey Institute issued a statement from Washington last year asserting that "The nature of the threat posed by China is in key respects of a greater magnitude and vastly greater complexity than that mounted by the Soviet Union at the height of the Cold War."

Really? China, with a total of 17 ICBMs, more threatening than the Soviets with thousands? The Soviet army, air force, and blue water navy less complex and imposing than China's collection of mostly 1950s armaments? Is China's bullying of Tibet a threat to us like Soviet provocations in East Germany, Cuba, Angola, Afghanistan, Nicaragua? If China is so hostile, why has it recently been a moderating influence on North Korea, in Pakistan, and amidst the current Asian economic meltdown?

Perhaps the strongest argument against treating today's China as Darth Vader in a Mao suit is that her closest neighbors, destined to be the first vaporized if China does turn aggressive, are feeling unperturbed. Take Taiwan, America's closest ally in China's orbit, and the country with the most to lose from a mistaken bet on China's intentions. The Taiwanese are hardly repelled by today's China; instead, they are attracted. In the last few years, 35,000 different Taiwanese companies have sunk more than $30 billion of their savings into the mainland. "By the year 2000, the mainland will probably become our biggest partner, and the heartland for our economic development," says the Taiwanese premier. How much sense does it make for us to worry more about what the Chinese might do to Taiwan than the Taiwanese do?

This is not to say China has a swell government. China is currently run by gangsters. But then so are Kenya, Indonesia, Panama, and a wearingly long list of other countries we must share the planet with. Welcome to life outside Eden.

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I confess I am puzzled by today's clamor among Washington conservatives to paint China in black and purple. Maoist China I could understand—that was a truly evil empire that murdered tens of millions, regimented even the most intimate aspects of human life, and actively sought to export its tyranny. But of course conservatives as much as liberals were willing to make book with Mao when he was still alive—because it was desirable to have Chinese partners as a counterweight to the Soviet Union.

WITHOUT ECONOMIC LIBERALIZATION, CHINA'S ECONOMIC BLOOM WILL NEVER GO BEYOND THE SNEAKER-AND-RADIO-MAKING LEVEL OF SOPHISTICATION.

I could also understand ostracizing Mao's immediate successors—who, among other things, launched the "one-child" policy that produced a wave of human rights violations large and small (state infanticide, millions of forced abortions and sterilizations, requirements that all female factory workers chart their menstrual periods on chalkboards for public monitoring, etc.). But here again, conservatives were mostly silent (though definitely more conscientious than non-conservatives about criticizing these measures). I wrote articles condemning China's brutal one-child policy for *Reason* in 1986 and *The National Interest* in 1989, and in 1995 commissioned a further exposé on this subject for an article in this magazine. The results? Quiet thuds. Unfortunately, neither conservatives nor liberals spent much time thundering against that earlier China.

Yet suddenly today, attacking China is a *cause célèbre*. Which is ironic, because on most of the important measures—disrespect for property rights, family-life tyranny, labor cruelty, lack of political representation, press censorship, strangled personal expression, and so forth—China is far less thuggish today than it was three, five, ten, or 25 years ago. The China we collaborated with a generation ago was a serial killer. Today's China is an ugly hockey goon.

I detect a herd running in today's campaign among conservatives to isolate China. We're in the strutting and preening phase, donning moral outrage and dabbling in theatrical protest, practicing the politics of righteousness—just as the Left did to manipulate U.S. policies on Central America, Southeast Asia, and South Africa in the past. Launching potshots at the buffoons and bullies in China's politburo certainly makes us feel good about ourselves. But the rhetoric is stagey, mostly just for domestic political consumption. It *uses* victims like persecuted businessmen and Christians and Tibetans, but does little to actually help them.

American is founded on sacred principles, and within our own borders defense of those principles is the highest end of politics. But America cannot dictate life courses and national decisionmaking in other lands. People in foreign lands have to defend their own liberties. A messianic moralism is no basis for a sensible American foreign policy; it will only drag us into forms of overseas nannying that we are neither equipped nor inclined to take on. I am all for cajoling, encouraging, and shaming overseas governments where possible, but ultimately—contrary to what Bill Clinton told the Rwandans—Americans are not responsible for what the Hutus do to the Tutsis. It is not our responsibility to make over China's government. That is for the Chinese people to do for themselves.

Read Steven Mosher's article on page 50 and you will see that many of the things we find abhorrent and incomprehensible about the way China's rulers treat her people may not be so incomprehensible to the Chinese. I and many other Americans would literally be up in arms if we had to live under their regime. But, thank God, we don't have to. And how much the Chinese are willing to put up with from their government is ultimately up to them.

American foreign policy must be built on our own national interest. We must choose the course that will do most to keep our country strong, prosperous, and free. Our best service to people elsewhere is to provide a beacon, a model, an island of sanity and liberty in a dangerous world. If we do, lots of them will want to copy us. For those who don't, it's their loss. The minute we go into the business of making forced conversions we enter very dangerous territory, for ourselves and others.

And in the case of China, there are especial reasons to believe that evangelizing for American-style democracy and culture is likely to bring frustration. Librarian of Congress James Billington recently returned from China and wrote that he was "not so optimistic as are many Americans" about our ability to re-mold her people. He notes that Christianity penetrated the Middle Kingdom in the first millennium, but that all of the efforts of the Nestorian missionaries left behind absolutely no trace. Halfway through the second millennium, a great and talented Jesuit mission again arrived in China to bring the Word. Centuries later, they too left in failure. China's culture is one of the most ancient and inert on the planet. It is sheer hubris to think that we outsiders can force them into a higher state overnight.

China and her warts will not be jawboned out of existence. A huge nation with vast human potential, having more than quadrupled her per capita income in just the last few years, China is on her way to becoming one of the world's most influential countries—soon to be more consequential in the daily lives of Americans than Japan, Russia, Canada, or Mexico.

So the question becomes: How do we avoid stumbling into a horribly destructive cold or hot war with such a country? More positively, how do we make common cause for mutual benefit? Specifically, how can we best help dissolve the primitive authoritarianism and mania for control that motivates China's present government?

Retaining our purity by having nothing to do with the country isn't likely to help. A smarter course is illustrated by the old proverb that "It's best to keep your friends close and your enemies closer." If we're clever (as opposed to indifferent and venal, as the Clinton administration has been), we can keep China close while remaining very much in the driver's seat. Because the fact is, China needs us far more than we need her.

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Speaking as an ethnic Chinese on behalf of greater China, former Singapore Prime Minister Lee Kuan Yew recently confessed this to *Foreign Affairs* editor Fareed Zakaria: "Let me be frank; if we did not have the good points of the West to guide us, we wouldn't have got out of our backwardness. We would have been a backward economy with a backward society." And this is as true today as in the past. There is a reason that China's coastal provinces are her prosperous ones, while the inland regions with less Western contact are far worse off. As Francis Fukuyama wrote recently in *Commentary*, "Asia's economic growth became possible only after contact with the West and with Western ideas of property rights, the rule of law, scientific rationalism [and the like]. Economic growth was contingent on the *rejection* by Asians of important elements of their own cultural heritage, including the Mandarin disdain for commerce and physical labor."

A MESSIANIC MORALISM IS NO BASIS FOR A SENSIBLE AMERICAN FOREIGN POLICY; IT WILL ONLY DRAG US INTO FORMS OF OVERSEAS NANNYING THAT WE ARE NEITHER EQUIPPED NOR INCLINED TO TAKE ON.

China's leaders know they need us. That's why they have been quietly ditching their current system and madly substituting alternatives based on Western models. By feeding this process of cultural conversion from close at hand, we can hasten China's transformation into a friendly, humane, and progressive neighbor.

This doesn't require any toadying. There are still lots of ways we ought to press China to clean up her act. We can sanction government officials and bodies involved in religious persecution, slave labor, and weapons proliferation. We can press for a hands-off policy on Hong Kong. We can cut off all international funds for China's oppressive birth control policies. We can rein in the multinational companies so eager to make money selling the Chinese militarily useful technology, a scandalous blunder of the Clinton administration. We can increase radio broadcasting into China. We can expose and expel trading companies fronting for China's People's Liberation Army. We must make clear our intention to defend Taiwan from aggression. We should place firm conditions on China's admission to international organizations like the World Trade Organization.

None of these things requires an overweening U.S. hostility toward China. We can, and should, separate ourselves from the ugly specifics of China's current politics while continuing to "pollute" her communist inheritance with our capitalist commerce and open cultural exchanges. And if we do, the ugliness will fade, as her people graduate to middle-class norms and begin to apply them to their own rulers.

If we keep China within arm's reach and work gradually to modify her government and way of life, we will speed her along the way to the much more wholesome place where she is already heading. For China, like scores of other countries before her, is in the midst of a transformation from economic and political centralism (planning and social control) to economic and political democracy (markets and freedom).

My guess is that today's "China threat" will mostly solve itself, given some patience and vigilance on our part. One of two things is likely to happen: The first possibility is that China's rulers will refuse to let go of state industries, public ownership of land, and general government control of their society. If so, China's recent gaudy growth will soon peter out, and the country will become an economic (and thence military) mediocrity, containing some brilliant workers and sectors, but with the overall machine mired in sticky mud *à la* India, Brazil, the Phillipines, or Mexico.

The second possibility is that, spurred by the desire for growth and vigor, China's government will swallow hard and finally let go of most of its state industries, trade protections, industrial subsidies, and other levers of economic control. If that happens, China's impressive human talent will create a boom. China will indeed become a powerhouse, a potential rival to the U.S. in total output and (eventually) cultural influence.

But such a China will also necessarily be at that point a basically free, middle-class, and non-noxious state. No grave danger, just a friendly, fierce competitor. That will be very good news for American consumers, businesses, and draft-age boys.

There is no third course for China. Without economic liberalization, her bloom will never go beyond the sneaker-and-radio-making level of sophistication. Limits will be reached. *With* economic liberalization, the bosses currently running the country to the annoyance of many Chinese and non-Chinese alike simply will not survive. We can deal with China full of the same confidence that Ronald Reagan felt while dealing with the Soviets—knowing that ultimately they must either abandon their oppressions or be left behind in history's race.

Today's Chinese have developed a powerful yearning for riches. This applies to leaders and masses alike (see page 93). Happily for us, that hunger for market-produced prosperity and comfort is going to blunt other appetites and temptations and redirect China's energies in a steadfastly peaceful direction.

One of the magical aspects of capitalism, for all its flaws, is that it regularly takes potentially ugly qualities like acquisitiveness, rivalry, and personal and ethnic self-interest and redirects them so they become forces for good. How ironic that the Chinese, history's last communists, are about to be the next ones to illustrate that.

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Sidelights

Turtle rights activist **Annie Lancaster** packs a .357 magnum and takes hidden videos "wherever turtles are in desperate need of help," reports the *Wall Street Journal.* "There's always been a turtle in my life," she explains. ❧ Rocker **Eric Clapton** now performs his song "Cocaine" accompanied by a 20-piece string section. ❧ Something to look forward to this fall: UnTurkey, made of wheat gluten, and Tofurky, made of tofu. ❧ Japan has a new magazine for the divorced set called *Liz,* to honor Ms. **Taylor**'s "perseverance and strength as she has moved from marriage and divorce." ❧ Gen Xers spend nearly a third less time on home computers than do people over 45, Media Matrix reports. ❧ One in five viewers of the Weather Channel watches for at least three hours at a time; the company calls them "weather-involved." ❧ Yellowstone National Park produces ten times more carbon dioxide than the average power plant, Penn State researchers calculate. "Make this polluter pay," quips the *Washington Times.* ❧ **Rommel Nobay** had top medical schools reject his admission after they learned that he is not black and "a family of lepers didn't donate half their beggings to support his dream." ··· A Boston charter school is offering the nation's first public-school "learning guarantee." Students failing a state assessment test in the tenth grade may choose another school to attend and be provided the $7,400 annual state funding normally spent on each student. ··· Maryland's Carroll County High School has decided to require *C*s or better to pass courses; to compensate students, after-school tutoring and re-testing will be available. ❧ A Navy-wide survey found four in ten enlisted women who became pregnant on sea duty had miscarriages or abortions in 1996, a rate double that of women in less rigorous shore duty. Two-thirds of all enlisted women said their pregnancies were unplanned, and one-third "think they should have children whenever they want." ❧ "Now that it is smart office politics to share tender feelings, I see male colleagues sulking and throwing hissy fits to get their way," complains columnist **Maureen Dowd.** "Any minute I'm afraid they might start asking me for Midol." ··· Legal scholar **Lani Guinier** studied students at Penn law school and found that although women entered with qualifications equal to their male peers, they performed far less well. She blames law schools' emphasis on "aggressiveness, emotional detachment, and speed," and calls for radical curriculum changes.

Entrepreneur reports that a shortage of skilled workers is the number-one problem cited by small-business owners. ❧ Retirement assets in 401(k) plans have broken the $1 trillion mark, the Spectrum Group announced. ❧ Oracle gave more than $200,000 to Senate Democrats in the months before hearings on its competitor Microsoft. ··· *Foundation Watch* criticized Microsoft for donating to "liberal advocacy groups that are bad for business," including the ACLU, the National Organization for Women, Greenpeace, and Planned Parenthood. ··· A *Wall Street Journal*/NBC poll found 53 percent of union households oppose permitting labor unions to use dues to support political causes. About 70 percent of blue-collar individuals, and families earning under $20,000, are also opposed. ❧ Former Congressman **Patricia Schroeder,** famous for attacks on sailors suspected of misconduct in the Tailhook scandal, has been defending President **Clinton** recently: "He's not afraid of being called a sissy or something," she says of his support for feminist issues. ··· One national florist chain says their most popular Valentine message this year was "Will you please be my intern?" ··· **Sidney Blumenthal,** erstwhile journalist and current White House spinner, "has the mentality of someone who joined the Communist party in the '30s," a *Washington Post* colleague told *Vanity Fair.* ❧ Americans born in the 1970s are more likely to believe in life after death than persons born early this century, according to two new studies. ❧ Iowa became the twenty-ninth state to outlaw same-sex "marriages." ··· A Tampa water park recently celebrated its opening with a mass wedding of 12 couples on blow-up floats. ❧ Eco-friendly ovens at high-tech crematoria in Sweden "are now heating thousands of homes," reports *U.S. News & World Report.* But one Swede complains, "No one wants Aunt **Astrid** heating up the living room." ❧ A day after the U.S. Agency for International Development told Congress Peru was ending its coercive sterilization program, Peru's health minister denied it would cut back its population goals. ··· Dr. **Yong Motta,** who advises the Peruvian government, defended sterilization over contraception, saying "a woman might forget to come in for her shot or might not want to." ❧ Dirt and Tomato are the top-selling fragrances of the Demeter perfume company, which also markets Carrot, Cucumber, and Tiramisu. In the works are Puppy, Crème Brûlée, Sweat, Gasoline, and Marijuana.

—*SW*

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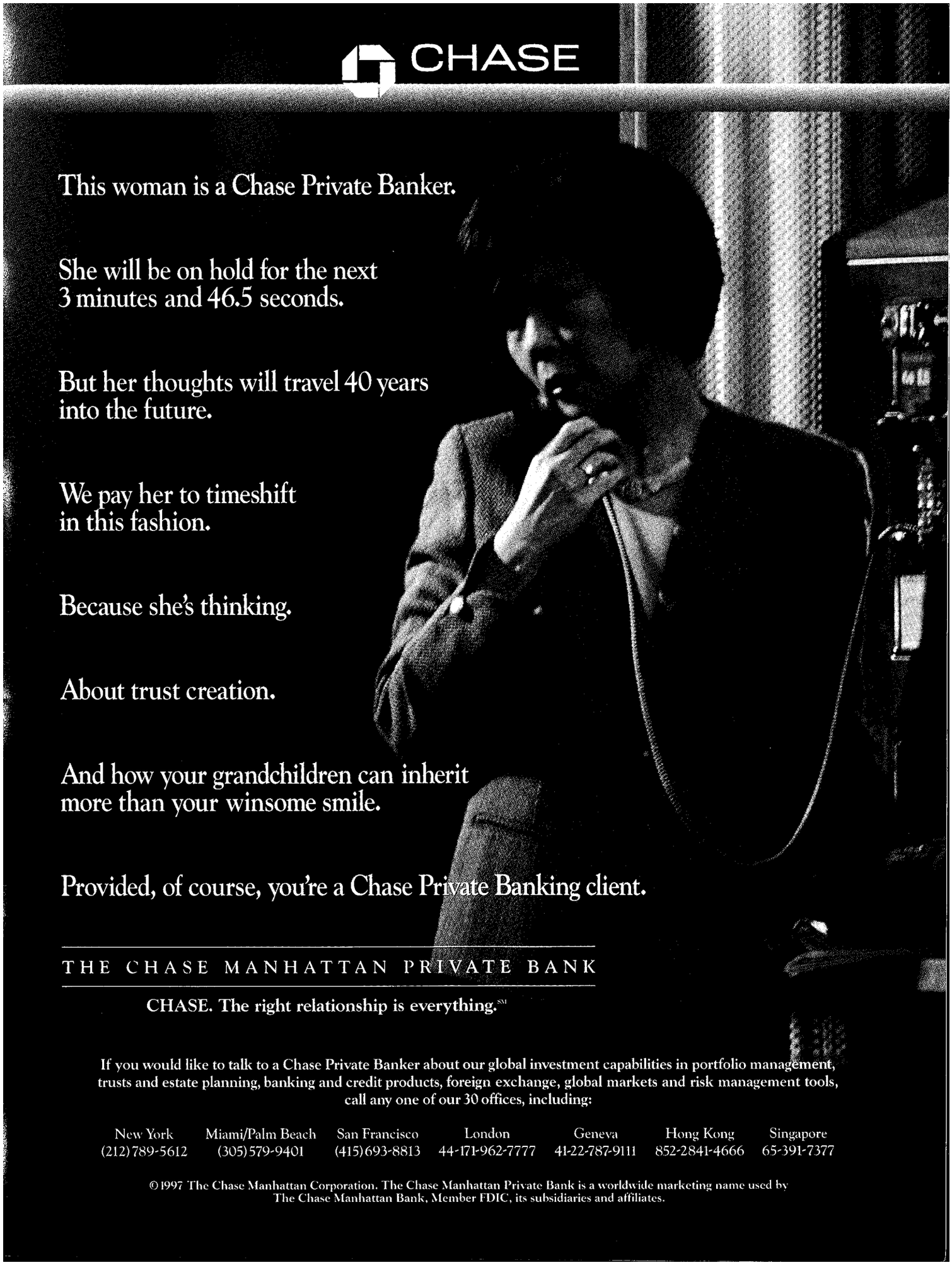

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SCAN

JACK ANDERSON EYES BILL CLINTON

Bill Clinton is fortunate he wasn't President during Jack Anderson's heyday. The man who was once the most influential—and feared—muckraker in the country, chief on Richard Nixon's "enemies list," takes a dim view of this year's revelations about the White House, culminating with recent reports that important U.S. military technology may have been transferred to China in exchange for Chinese contributions to the Democratic party. "It's no longer just a question of Clinton's private morality," Anderson says, sitting in his suburban Washington home.

Now 75, Anderson watches politics from the periphery, often ruminating about how he would be reporting on the White House were he just beginning a career. Instead, the career began in 1947, when this young Mormon, fresh from Salt Lake City, landed one of the most coveted jobs in journalism: reporting for "Washington Merry-Go-Round" columnist Drew Pearson. A staunch liberal, Pearson produced perhaps the most widely read column in the country, written in a crusading, moralistic Manichaean tone, which young Anderson found appealing.

Like the character in *Mr. Smith Goes to Washington,* Anderson was outraged when he discovered the capital city didn't operate as depicted in civics classes back home. This drove him to become a master of the exposé, breaking news about the U.S. going to war in Korea, the CIA's plans to kill Castro, and the Watergate grand jury transcripts.

The damage control efforts of Bill Clinton's White House—generating a derogatory dossier on the *Washington Post's* Susan Schmidt in response to her Whitewater coverage, siccing reporters on the sex lives of Ken Starr's prosecutors, and so forth—sound all too familiar to this man who at various points in the last 40 years has been trailed by the CIA, audited by the IRS, harassed by the FBI, and pursued by G. Gordon Liddy. "When you bring the almighty power of the federal government to bear on someone, either a reporter or a witness, it's calculated to intimidate him. The White House response to Kathleen Willey was about serving notice to others: if you come forward, we're going to ruin you."

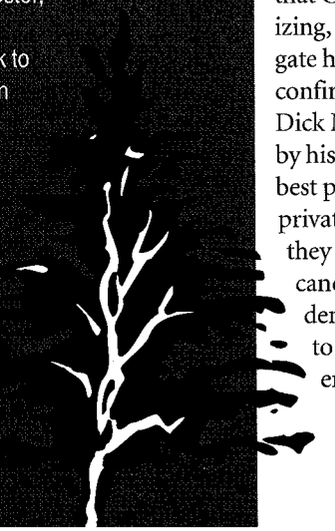
So will the Washington press corps ever find the truth? "You're not going to get the facts from Mike McCurry," Anderson told *TAE's* John Meroney. "He's the wrong source. If I want to know what's going on inside the White House, I'm only going to get that from somebody who's offended by it, and who agrees with me that the White House is not the property of Bill and Hillary Clinton, but instead belongs to the American people. We're entitled to know what he's doing."

A lifetime of reporting tells Anderson that the clamor against using anonymous sources in Clinton news stories is nonsense. "A confidential source is the only source worth a damn. There's no way you're going to get the truth from any White House source whom you identify. He'd be fired the next day."

Anderson, who traveled to Arkansas to research Clinton's first presidential campaign, thinks a solid case against him in the sex scandal is unlikely. He says the closest thing to a smoking gun is evidence that Clinton's staff, aware of his womanizing, hired private detectives to investigate his sexual escapades, a fact recently confirmed by long-time Clinton advisor Dick Morris. "That information was kept by his own staff so they could prepare the best possible defense. They referred to it privately as the 'Doomsday File' because they fully understood it could wreck his candidacy, and, if elected, his presidency. It took six years for Doomsday to occur, and he may be elusive enough to wiggle out of even that."

WHAT PRICE VANITY?

Several times a year, the government-sponsored Federal National Mortgage Association (FNMA or "Fannie Mae") sends a fat journal called *Housing Policy Debate* to thousands of people on its mailing list. Recently, the agency mailed every single recipient a full replacement copy of its latest 174-page issue, with the instruction "Please discard the copy of this publication sent to you previously. It contained an error." Wondering what terrible flaw caused the agency to go to such expense and trouble, editor Phil Langdon called them up. Turns out a printer changed the name of FNMA director, and Clinton pal, Ms. Jamie S. Gorelick to "James S. Gorelick" in the small type on the masthead. Many trees died, and many mailbags sagged, to make up for that offense.



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A LIBERAL FOR EDUCATIONAL CHOICE

The latest battleground over public education is in conference committee in the U.S. Congress as we go to press. House and Senate bills spearheaded by Senator Paul Coverdell (R-Ga.) would allow families to deposit up to $2,500 a year into an education savings account for each child. The money saved could be spent tax-free on virtually any school expense, including private school tuition.

Dubbed "education IRAs," the accounts have drawn strong resistance from the teachers' unions, who see them as a back-door voucher plan. The bill passed both houses of Congress amid vehement Democratic opposition, though by margins too small to override an expected presidential veto.

The bill did pick up some Democratic support in the Senate from those who have crossed party lines in the past, including Senators Joseph Lieberman of Connecticut and Robert Byrd of West Virginia. And then there is the bill's co-sponsor, Senator Robert Torricelli, a New Jersey Democrat.

Torricelli? An unabashed liberal, Torricelli suddenly finds himself on the same side of an issue with Congress's most rock-ribbed conservatives. Why? "I support this program because it encourages parents to invest in their children's education, and because it does so without taking a single federal or state tax dollar away from our public school system," said Torricelli.

Many supporters of education IRAs see them as a way to introduce more choice into K-12 education. Opponents, of course, fear that very result. But Torricelli has staked out what he feels is a solid middle ground by drawing distinctions between these accounts and vouchers. He consistently emphasizes his opposition to vouchers in any form and pledges support for President Clinton's education initiatives, but he also insists "the majority of those who benefit from this legislation make less than $70,000 a year. This bill helps middle-class families provide a better education for their kids. Parents can buy computers, school uniforms, pay for tutoring or after-school activities that would not otherwise be available to their children."

In his 1996 campaign for Senate, Torricelli received over $21,000 in direct contributions from the National Education Association and the American Federation of Teachers, the nation's two giant teachers' unions. How did the unions react to Torricelli's co-sponsoring the bill? "They were not happy," said Joy Howell, Torricelli's press secretary.

Despite the vocal opposition of the unions and the President, Torricelli believes education IRAs can become a reality. "My goal," he said, is to "make this bill attractive to President Clinton and impossible for him not to sign."

—Mike Antonucci is director of the California-based Education Intelligence Agency.

ARE 99.9 PERCENT OF TEACHERS DOING THINGS RIGHT?

Something very unusual happened recently in Lansing, New York, a small upstate town: A derelict public school teacher with tenure was actually terminated. That's the good news.

The bad news is that it took 20 separate hearings, three years, more than $200,000 in legal fees, plus an undisclosed settlement fee paid to Charles Weaver (who was charged with hitting and grabbing students, using ineffective teaching methods, not keeping his classroom clean, and not following orders).

Of the more than 200,000 public school teachers in New York State, how many do you suppose were dismissed for incompetence or dereliction last year? Try seven. Similar ratios exist in other states. Why? Because the public school system of lifetime tenure makes it almost impossible to remove bad apples. *(See* INDICATORS.*)*

Firing someone, of course, is never fun. But no organization can survive unless it is willing and able to clear out dead wood. Unless of course it's a monopoly.

SEXUAL BACKLASH?

Though the story has been scanted by our national media, another important social indicator has taken a healthier turn: the National Center for Health Statistics just announced that the teen birth rate fell 9 percent from 1991 to 1995. Every racial group and every state shared in the decline. Other data show teen abortions fell even more sharply over the same period.

It appears that more teen abstinence helped produce this heartening trend. This year, 700,000 young people (up from 450,000 last year) signed cards pledging abstinence until marriage as part of the True Love Waits movement. And last month, a *New York Times*/CBS News poll showed that nearly half of all teens now say sex before marriage is "always wrong."

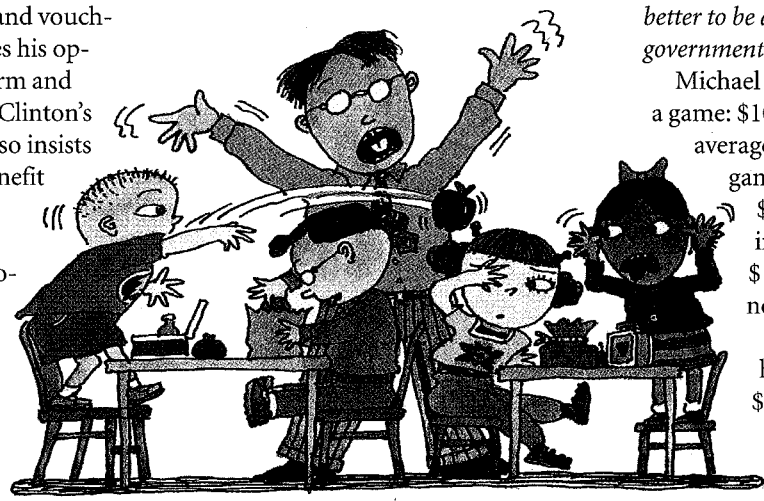
"Today's teens are more conservative than their parents," Amy Stephens of Focus on the Family recently told *Citizen Issues Alert*. Growing up amidst a sex-saturated culture and the painful fallout of divorce and unstable families, young people are now searching for "relationships that are more meaningful, lasting, and stable," Stephens suggests.

MICHAEL VS. BILL VS. SAM

This bit of Internet flotsam sheds some light on the eternal question of whether it's better to be a jock or a nerd (or perhaps a government employee):

Michael Jordan makes over $300,000 a game: $10,000 a minute, assuming he averages about 30 minutes per game. Assuming an additional $40 million in endorsements in 1998, he'll be making $178,100 a day, working or not, this year.

Assuming he sleeps seven hours a night, he makes $52,000 every night while



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visions of sugarplums dance in his head. If he goes to see a movie, it'll cost him $7, but he'll make $18,550 while he's there. If he decides to have a 5-minute egg, he'll make $618 while boiling it, because his money flows in at $7,415 an hour.

Next year, Jordan will make more than twice as much as all of our past Presidents for all of their terms combined.

Amazing isn't it?

BUT: *Michael Jordan will have to save 100 percent of his income for 1,300 years to have a net worth equivalent to that of Bill Gates in 1998.*

Bill Gates' wealth is 400,000 times larger than that of a typical American worth $100,000. Which means that something costing $100,000 seems to him as though it costs 25 cents.

So, for example, *you* might think a new Lamborghini Diablo costs $250,000. But in "Bill Gates dollars" that's 63 cents. That loaded laptop you've been drooling after? A penny. A nice home in Palo Alto, California? Two dollars.

You might spend $100 on tickets, food, and parking to take your family to see an NHL hockey game. Bill, on the other hand, could buy the team for 100 Bill dollars.

Bill has around $150 for every person in the USA, and $6.70 for every person on the planet. Bill could pay Michael Jordan's 1997 salary 1,300 times.

But one thing Bill can't do is dent the national debt. Should he selflessly donate his stock to the U.S. treasury, he would reduce the $5.4 trillion national debt by under 1 percent.

Puts things in perspective, doesn't it?

A MODERN LIFE

Lots of modern Americans might see something of themselves in the contours of Saloth Sar's résumé: studied abroad (in Paris) as a young man; taught literature; became politically engaged; married a like-minded intellectual; entered government service; married again after the strains of political life drove his first wife somewhat mad; lived out his life in the countryside with his much younger second wife.

Certainly his literary and political sensibilities were fashionable. Among the nineteenth-century French poets he recited by heart to his students was Arthur Rimbaud, a poet favored by the 1960s rock icon Jim Morrison. And like many intellectual contemporaries in the West, he was attracted to the leftist ideals of Tito's Yugoslavia and Mao's China.

But while lots of American '60s kids read Mao's *Little Red Book*, none ever held the power of Saloth Sar, Brother Number One of the Cambodian Communist party, also known as Pol Pot.

Comparisons with other architects of state terror like Stalin are tempting, but in the end Pol Pot remains a unique tyrant of a particular country. However much he was influenced by Rimbaud, Marx, or Mao, he was motivated more by his vision of Khmer greatness and hatred of Vietnam.

"If our people built Angkor," he said in a 1960 speech, refering to Cambodia's massive medieval temple-city, "they can do anything." 15 years later, "anything" would translate into a two-fold agenda: building an autarkic agrarian state and standing up to his Vietnamese neighbors.

In his extraordinary interview last October with the *Far Eastern Economic Review*, Pol Pot justified the "mistakes" of his movement by its ends: "If we had not carried out our struggle, Cambodia would have become another [part of Vietnam] in 1975."

The "mistakes" were not small: Some 200,000 Cambodians were executed and 1.4 million died as a result of such policies as forced collectivization.

Held prisoner by a remnant of his Khmer Rouge party, Pol Pot himself died, reportedly of natural causes, in mid-April. He is survived by his peasant wife and a teenaged daughter. Monuments to his rule include the torture chambers of Tuol Sleng prison in Phnom Penh and a glass-encased obelisk at a former "killing field" several miles south of the capital city containing hundreds of unearthed skulls, some still eerily bearing tattered blindfolds.

—Jonathan Tombes is a research associate at the American Enterprise Institute.

STALIN GOES TO OXFORD

With the Berlin Wall just a memory and Marxist nations like China yearning to get rich through the market, you might think the history book on Communism has closed. Think again.

One place Karl Marx & Sons will probably never lose their popularity is on campus. The latest evidence: a new history of Russia published by Oxford University Press. The authors fearlessly "strip away the propaganda, myth, and mystery" by pooh-poohing evidence that tens of millions died in Stalin's purges. And the Ukrainian famine? Not deliberate, of course, just a bad harvest.

This "new view" of Russia's history includes the explanation that Stalin rose to

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BUMPER STICKERS

courtesy of Nashville's Bill English:

- Your kid may be an honor student, but you're still an IDIOT!
- Warning: Dates in calendar are closer than they appear.
- We are born naked, wet and hungry. Then things get worse.
- Always remember you're unique, just like everyone else.
- Lottery: A tax on people who are bad at math.
- If at first you don't succeed, destroy all evidence that you tried.
- Experience is something you don't get until just after you need it.
- Make it idiot proof and someone will make a better idiot.
- For every action, there is an equal and opposite criticism.

power by trusting in the "little people." Not a monster at all, he was "a man of principle, who displayed unwavering commitment to his own ideological manifesto, including a belief in the importance of heavy industry."

Editor Gregory Freeze, in a chilling example of banality in the service of evil, writes that "the demonization of Stalin in effect ignored his real power and role in the system. Stalin had very clearly defined targets and goals, not simply a brutal strategy to eliminate the opposition. He was a workaholic who worked 16-18 hours a day." Moreover, "Stalin was not so dysfunctional. He had a positive role during the mobilization of resources and popular support during the Second World War."

Before you despair over such cheap, deadly revisionism, know that some dogged opponents to such views in academe also exist. An 846-page history of Communism that presents a scathing indictment became an unlikely bestseller in France this winter. *The Black Book of Communism* estimates that deportations, famine, labor camps, and executions under Communism took the lives of at least 85 million people worldwide.

France's Socialist Prime Minister Lionel Jospin, who has three Communist ministers in his Cabinet, defended them with the claim that French Communists have "learned the lessons of history." But lead author Stephane Courtois counters that Communism deserves comparison with Nazism: "You have to compare them. You can't look at twentieth-century history if you don't."

FREE ECONOMICS NEEDS FREE POLITICS

For years, outspoken Asian leaders like Malaysia's Mahatir Mohammed argued their countries could enjoy economic growth under centralized, quasi-authoritarian governments. Today's Asian economic crisis is proving such hopes hollow.

As a Jakarta-based businessman, I find the Indonesian example particularly telling. Until last year, the country was a regional star, boasting an uninterrupted decade of GDP growth in excess of 7 percent per year. What's more, this growth was achieved under one of Asia's least democratic regimes, the "New Order" government of President Suharto. But beneath the glowing statistics lurked a darker truth. During Suharto's 32 years of rule, his family and cronies built a staggering network of corruption, which produced the resentment and economic sclerosis that led to the strongman's forced retirement.

His legacy? All of the nation's strategic industries are dominated by the family and friends of Suharto who have prospered from preferential treatment. Consider cloves, used in 90 percent of Indonesian cigarettes. In 1990, a monopoly was granted to the President's youngest son. All clove farmers were required to sell only to his so-called Clove Marketing and Buffer Stock Agency (CMBSA). The monopoly was supposed to "stabilize" clove prices for the benefit of both farmers and cigarette manufacturers.

Stabilize it did. Farmers were required to sell their stock at a government-set price of 2,500 rupiah per kilogram, while manufacturers were forced to purchase cloves at 10,000 rupiah per kilogram. The arrangement cut into the already-slim profits of farmers and manufacturers alike, and consumers suffered from the artificially inflated price of cigarettes. Adding insult to injury, the badly managed CMBSA still loses money, requiring massive taxpayer subsidies to stay in operation.

Then there's Astra International, Indonesia's leading automobile manufacturer. Founded in 1951, Astra has won plaudits for its achievements in developing Indonesia's fledgling automobile industry. Until 1994, that is, when a Suharto family member secured government permission to import assembled automobiles free of tax and duty charges. These exemptions, which constitute 30 percent of a car's selling price in Indonesia, allowed the new imports to undercut Astra's prices. Since these imports began, Astra's stock price has tumbled.

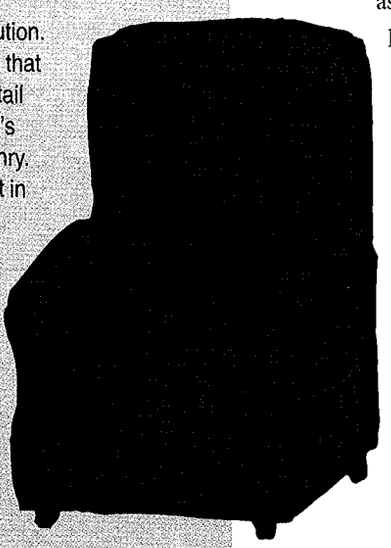
Even as Indonesia has recently struggled to reform under International Monetary Fund pressure, the country's corruption has proved intractable. Take plywood exports, Indonesia's second largest foreign exchange earner. For years all plywood manufacturers had to export through APKINDO, a trade association owned by Suharto's golfing partner Bob Hassan. When this requirement was recently lifted as part of the IMF agreement, plywood exports were expected to soar. Sadly, recent reports are that APKINDO, stripped of its government authority, has simply begun using threats of violence to force manufacturers to use its services.

Little wonder that Indonesia's currency still lingers about 75 percent below its 1996 value. The country provides a stark reminder of the need to link

GOVERNMENT AS BARCALOUNGER

"I am all for the Constitution. But that does not mean that I believe we should curtail the federal government's ability to help our citizenry. If our government is not in place to make our lives easier, then why does it exist?"

—***Elizabeth Stevens,*** *in a letter to the* Washington Post, *May 3, 1998*



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economic growth with political reform. The government of Suharto's successor, B. J. Habibie, has its work cut out for it.

*—**Dean Carignan** runs a business in Jakarta, Indonesia.*

CAUGHT IN THEIR OWN TRAP

At breakfast, some three years before *L'affaire Lewinsky*, we warned Bill Clinton about America's legal system—the increasingly burdensome and unjustified lawsuits, the gaudy fees, the legal extortion, the spiraling costs of liability insurance, the outrageous jury awards.

That breakfast, replete with a fleet of presidential limousines, gold-fringed trumpeters, and other kingly trappings, was the kick-off for the White House Conference on Small Business, where I was one of the delegates gathered to advise the White House about the concerns of America's entrepreneurial class. A businesswoman from Pittsburgh sporting a "She spilled it on herself" lapel pin (a reference to the $2.7 million jury award to the McDonald's coffee lady) explained how her sheet metal shop was nearly destroyed by a frivolous wrongful-discharge claim. Her case was no isolated incident. A recent Gallup poll shows that one out of five of America's small businesses has decided not to expand or hire more employees out of fear of lawsuits.

The President smiled a lot and told us that we were the backbone of America, the hard-working risk-takers who were creating most of the nation's jobs. "It's nuts," Clinton declared, that we had to hire "a SWAT team of lawyers" to deal with the government, the glut of regulations, paperwork, and frivolous lawsuits. More than once, he said, Hillary's pillow-talk at the end of a long day of governing was about people just like us. Her first employer, he said, was a hard-working Main Street shopkeeper.

But in the end, Mr. Clinton, heavily bankrolled by America's trial lawyers, did nothing. Instead, he promptly vetoed legislation passed by the Republican Congress that was designed to rein in the world's most expensive and out-of-control litigation explosion.

Today, some three years later, Southeastern Guide Dogs has been sued for $160,000 by a woman whose toe was stepped on by a blind man with one of Southeastern's dogs, and Bill Clinton is broke, owing some $5 million in past-due legal bills.

On top of that, taxpayers are footing the bill for a White House counsel's office that has become the most expensive West Wing legal operation in American history. From a four-person operation in 1993, the President's tax-paid legal shop has swelled to 34 lawyers, with salaries alone running $2.4 million per year.

None of this was supposed to happen to people like the Clintons. In the vision of the Better Living Through Litigation crowd, sexual harassment lawsuits were supposed to target *businesses* (like the $26.6 million plucked from Miller Brewing after one of its employees repeated a gag line from "Seinfeld"), or conservative judicial nominees who might tell a joke about a hair on a Coke can.

The Clintons, in contrast, saw themselves as above the intrusive controls they and their litigious allies have inflicted on the rest of us. Jail terms and fines for insider trading, for instance, were designed for corporate executives and stockbrokers, not a First Lady who reaped a quick $100,000 in a questionable cattle-futures deal and pocketed $275,000 by selling medical stocks short while she was denigrating America's health care industry.

The interminable document requests and depositions weren't intended to empty the Clintons' coffers. That was supposed to happen to the folks who run America's sheet metal shops and roller rinks. Similarly, lawsuits about wrongful employment practices were intended to loot the cash registers at Hooters, not to drag the Clintons into court over the firing of career employees in the White House travel office.

Welcome to the world you created, Mr. and Mrs. Clinton, a world where it's now illegal under Minnesota's anti-harassment law for kindergartners to "rate" each other, where Penn State has removed a painting by Goya from a classroom in fear of litigation from an offended professor, where the University of Nebraska deemed it actionable harassment for a graduate student to display a snapshot of his wife in a bathing suit, and where a court has ruled that job titles like "foreman" and "draftsman" constitute egregious sexual harassment.

The President, whining about the litigation he has faced, is simply breathing the poisonous atmosphere he and his friends have concocted. It couldn't happen to a more deserving fellow.

*—**Ralph Reiland**, owner of Amel's Restaurant, is associate professor of economics at Robert Morris College in Pittsburgh, Pennsylvania.*

THESE ARE OUR AGENTS OF JUSTICE?

A Florida judge recently calculated what the trial lawyers retained by his state to go after tobacco companies will make under the proposed settlement: Somewhere between $95,000 and $185,000 an hour.

"Political and financial greed is driving today's tobacco legislation, not compassion," observes publisher Steve Forbes. "It's a money-grubbing fraud, with payoffs to trial lawyers that are truly obscene."

THE GOOD GUNS CAN DO

One of your editors was recently on a television show where the Hollywood-based host attacked gun ownership. Your editor replied that people living behind iron gates and private guards in the Hollywood hills might think guns have no good use, but average people not willing to bet their family's safety on a quick 911 response feel differently. Tell the Koreans in South Central Los Angeles who used legal guns to save their lives and many of their businesses during the L.A. riots that guns are unnecessary and harmful to law-abiding citizens, we suggested. (*See John Lott's article on page 66.*)

Another guest on the show, a black pop musician, then surprised the host by arguing that America would not have become, and will not remain, a free and decentralized country if not for the presence of guns in the homes of everyday good citizens (he cited Bosnia, Cuba, and other places as cautionaries against a defenseless populace).

As if to underscore the point, your editor then got into an L.A. taxi whose driver said he was an Armenian who had been living in Azerbaijan until a few years earlier—when one night his house was suddenly surrounded by 80-100 Azerbaijanis determined to kill his family

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and loot his possessions. Fortunately for this man, he illegally possessed a pistol, and by firing into the mob he was able to momentarily disperse it. He immediately made his escape, crashing through roadblocks under gunfire on his way to the airport. He left behind two houses, his grandmother's silver, his life's possessions and savings. But thanks to an old firearm, he, his wife, and his children are alive, and living as refugees in America, the freest—and best-armed at the grassroots—place on earth.

Chinese fighter plane

Galen Rowell/Corbis

BETTER LEFT UNSOLD

The five nuclear detonations India set off in May sent an unambiguous signal to the world that something in U.S. foreign policy is amiss.

The Indian Defense Minister made it clear his country had resumed its nuclear testing, after a 24-year self-imposed hiatus, in response to troubling developments in China—specifically, the advances China has recently made in its ballistic missile program, courtesy of the Clinton administration.

While the press and Congress pour over documents to discover just how the White House helped China advance its nuclear technology, they should also look at the conventional weapons technology the administration has peddled to the People's Liberation Army. After all, Defense Secretary William Cohen says he's not worried about the nukes. (Of course, he's got a nice safe spot deep in the bowels of the Pentagon. For the rest of us, it's "duck and cover.")

It's increasingly clear that in the Great Chinese Cash Grab which helped finance the '96 Clinton/Gore campaign, the Commerce Department and then-Secretary Ron Brown took the lead. Despite objections by the Departments of State, Defense, Justice, the CIA, and the National Security Agency, Brown's Commerce Department sought to peddle not only sensitive technology, but highly specialized dual-use machinery and sophisticated conventional weapons. Just consult Ron Brown's files at the Commerce Department marked "President Business Development Mission CHINA."

On a wish-list of weapons U.S. companies suggested they be allowed to sell the Chinese was the heat-seeking AIM-9 Sidewinder, the premier close-in dogfighting missile of U.S. Air Force, Navy, and Marine fighters. Administration apologists explain that the Chinese could instead buy the Russian counterpart to the Sidewinder, the AA-11 "Archer" missile. But while the Archer is formidable, the AIM-9 has the advantage of having proven its reliability even under the relentless pounding of repeated carrier landings.

Also on the China shopping list were laser targeting pods for the delivery of precision-guided munitions, and associated night-vision equipment. For an idea of how shocking this is, consider that a significant portion of our own aircraft lack these capabilities. In fact, our commanders in Bosnia refused to deploy any aircraft into that theatre which lacked this technology.

Not long ago, McDonnell-Douglas shut down one of its aircraft plants and shipped the machinery to China, including advanced "five-axis" tools used to manufacture aircraft components. By coincidence, this February a joint Chinese-Russian project was announced for the construction of F-10 fighter-bombers, the Chinese designation for the most advanced Russian warplane. You connect the dots.

These fighters—some of the most advanced in the world—will also be equipped with Global Positioning System receivers for satellite-aided navigation and targeting, courtesy of your Commerce Department. Most U.S. combat aircraft have yet to be similarly configured.

So while the U.S. military is being worn down by countless "operations other than war"—paid for by the very funds that were supposed to train and repair its deteriorating personnel and equipment—our Commander-in-Chief turns out to have bought himself that title partly by selling sophisticated military technology to potential adversaries.

But while our kept-press slept, India did not. Like a firebell in the night, their nuclear tests have alerted us to the dangers that President Clinton and his shameless fund-raising have helped create.

—The author, who must remain anonymous, is a Capitol Hill staffer involved in the investigation of technology transfers to China.

CHINA'S MORAL DEFICIT

The Chinese trade issue I object to most is this: our country's trade of silence on China's abhorrent human rights record in return for supposedly closer ties. For instance, fresh on the heels of the latest State Department report detailing China's continued oppression of its own people, the Clinton administration dropped our longstanding effort to pass a resolution denouncing China at the U.N. Commission on Human Rights.

The State Department report noted that China continues to practice torture, extrajudicial killings, arbitrary arrest and detention, forced abortion and sterilization, crackdowns on independent Catholic and Protestant bishops and believers, brutal oppression of ethnic minorities and religions in Tibet and Xinjiang, and absolute intolerance of free political speech or free press.

What did the United States get in return for turning a blind eye to this bloody list of human rights abuses? The release into exile of three prominent

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Chinese dissidents, including Wang Dan, the leader of the student uprising at Tiananmen Square; Wei Jingsheng, arguably China's best-known human rights dissident; and, earlier, Harry Wu. It's despicable that China uses its dissidents as pawns. Worse yet, the policy appears to be working—it's even netting China a multitude of other military and trade concessions from the United States, including missile technology and U.S. support of China's efforts to join the World Trade Organization.

Earlier this year, America's silence was never more deafening than when two Chinese businessmen were arrested and indicted for selling human body parts harvested from state-executed prisoners in China. Our lack of response revealed how this administration provides China the cover it needs to continue iron-fisted control over its own people.

Moral deficits, not trade deficits, separate us from China. We must end our deadly and humiliating acquiescence with China and demand the immediate release of the thousands of political, religious, and labor dissidents currently languishing in China's prisons. We must demand that China end its repressive control over its own people and the people of Tibet.

—U. S. Senator ***Tim Hutchinson*** *(R-Ark.) co-sponsored a June conference with the Family Research Council commemorating the Tiananmen Square massacre.*

EMBARRASSED BY WOMEN'S MAGAZINES

One of the great cultural struggles of our era is the campaign by contemporary women to eliminate gender stereotypes. I sometimes find myself mulling the sincerity of this effort, however, given the conflicting signals that come from that most female of worlds, the popular woman's magazine.

Consider the articles touted on their fronts. Such "cover lines" are carefully tested by editors to see what generates the greatest newsstand sales; so we must assume the resulting topics represent top-of-the-mind concerns of many women. Typical newsstand offerings: How to shed eight pounds. (Why eight?) A guide to "great sex at 25, 35, and 45." A 95-point (!) guide to beauty. A recent issue of *Glamour* leads with "hair makeovers," then segues into advice on "how to have love and partnership" with a man. *Cosmopolitan*—still the premier seller on college campuses—tells its readers "how to make him commit 100 percent." It also supplies fence-mending advice to women who "blew him off," but later decided they might like to have "him" back again. *Mademoiselle* offers its partisans "a sexy butt," along with "12 secrets of love that lasts." *Marie Claire*—a rising favorite among younger women—touts "shortcuts to perfect hair and make-up," "what makes a man come back for more," "10 minutes to a better body," and the *pièce de résistance*, "men without pants," a feature on male beauty contestants.

The covers of women's magazines exhibit a near-total avoidance of issues and ideas, and instead focus on beauty, celebrities, and sex. Apparently the editors believe their constituency has moved only a short distance from the kitchen—to the bedroom.

If today's women are serious about dressing themselves up in a new image, well, in women's magazines their slips are showing.

—Steve Salerno is publisher and editor-in-chief of The American Legion *magazine.*

DANGEROUS CHRISTIANS

You almost can't blame the Chinese Communists for persecuting Christians in their country. As one secret party document puts it, those "hostile forces" have enjoyed "a steady increase, and no decrease," and they practice "subversive and destructive activities" like "evangelization." Worse; they "vainly seek to bring about the changes which occurred in the former Soviet Union and Eastern Europe."

The Chinese government has not forgotten religion's role in bringing down European Communism. That's why they're cracking down on believers. Nina Shea of the Freedom House Center for Religious Freedom, and Paul Marshall, author of *Their Blood Cries Out*, recently told *TAE* that China's religious repression has greatly intensified since 1994, when Chinese Premier Li Peng signed edicts 144 and 145, banning independent religious worship.

Government documents have come to light that exhort police to wage a "special class struggle" against "unregistered" congregations. "Class struggle" is a Maoist term that had been dropped from the official lexicon during Deng Xiaoping's rule, but Shea reports it has been taken up again, notably by Public Security Minister Pao Si Ju, and reapplied to Christians. Local authorities are ordered to "divide and destroy" the "illegal meeting points" (i.e., churches): "With great determination, suppress illegal religious activities…determinedly suppress and eliminate the large-scale illegal meetings." Ye Xiaowen, head of the government's Religious Affairs Bureau, told the Chinese press in 1996, "we must adopt an 'especially discreet,' 'very rigorous,' and 'circumspect' attitude toward these issues, as suggested by Lenin."

Across the nation, these orders have been put into effect with grim results.

DO WE NEED NOUN AND ADJECTIVE QUOTAS?

After noting that "Clinton hater" has become a common way for our national media to describe political opponents of the President, the invaluable Media Research Center recently conducted a comparison of terminology used by journalists during the Clinton versus Reagan years. Their computerized review of all stories published in *Newsweek*, *Time*, *U.S. News*, the *New York Times*, and the *Washington Post* during the first six years of the Clinton presidency and the full eight years of the Reagan term found the following imbalances:

- 106 references to "Clinton-bashing" or "Clinton-bashers," but only 17 references to "Reagan-bashing" or "Reagan-bashers."
- 63 uses of the term "Clinton hater" to characterize an opponent of the President, versus one use of "Reagan hater."
- 55 references to "anti-Clinton" groups, compared to two references to "anti-Reagan" forces.

Many of the references to Clinton opponents were further modified, the researchers found, by terms like "fervent," "virulent," "burning," or "obsessive."

Hmmm. Sounds like institutional bias to us. Should somebody call the feds?

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SIGN OF THE TIMES

We've often accused leftists of being blind. Now there are indications the *avant-garde* is also growing hard of hearing: The back cover of a recent installment of *The Nation*, America's leading left-wing journal, is an advertisement peddling hearing aids to aging '60s kids.

"For Protestants," Marshall told us, "Henan province is one of the hardest hit. Protestant leaders report that about 40 percent of inmates in Henan labor camps are there for belonging to the Christian underground." During a Freedom House mission to China led by Marshall, "85 house-church Christians were rounded up and arrested in two dragnet operations on May 14, 1997, in Zhoukou, Henan."

Marshall added that police "have tortured a number of underground Christians during interrogation." Brutal beatings have resulted in "paralysis, coma, and even death," with methods including "binding detainees in excruciating positions, hanging detainees from their limbs, tormenting them with electric cattle prods, electric drills, and other implements, and crushing the feet and ankles of Christians while they are forced to kneel," often in front of their relatives.

The traditional May pilgrimage of underground Catholics to a Marian shrine in Hebei province, which attracted at least 10,000 believers in 1995, was obstructed in 1997 as it had been in 1996, when according to the *Far Eastern Economic Review* the presiding priests and several bishops were imprisoned and the shrine desecrated.

"While some provinces are more repressive than others," Marshall explained, "repression has been stepped up in all the provinces and regions" from which Freedom House has received reports, which represent over half of China.

The difficulties Chinese Christians face are formidable. They lack an independent press, such as the *samizdat* presses of the old Soviet Union. Nor are there any independent human rights groups or labor unions like Solidarity. As Marshall notes, "the underground Christian churches are the only nationwide civic grouping that exists outside of government control in China."

Yet the Christian paradox of triumph through suffering holds true in China: Despite repression, "Christian churches, registered and underground, Catholic and Protestant, are experiencing explosive growth," says Marshall. "In general there seems to be a growth rate of 15-25 percent a year." The Vatican estimates Catholics number about 10 million, while at least 25 to 30 million Protestants are believed to practice their faith, with some observers insisting the number may be two or three times higher. Even more hopeful for the future: most of these courageous believers are under 35.

One response to China's religious oppression is the Freedom from Religious Persecution Act, which recently passed the U.S. House. It would establish a State Department office to monitor religious persecution around the world and cut off all non-humanitarian foreign aid to governments that engage in it. The Clinton administration objects, complaining the bill would limit its "flexibility" in dealing with countries like China.

IGNORANCE OF RELIGION STRIKES AGAIN

The failure of the American educational and journalistic elite to take religion seriously has left them ill-equipped to understand—let alone anticipate—some of the most important developments of the last 20 years. Case in point: the collapse of the Soviet Union.

I was present in Moscow for the fateful 48 hours in August 1991, when Communism fell. Everyone then spoke of it as a *chudo* or miracle. No more than 150 armed professionals successfully faced down the world's largest armed forces in the capital of the world's largest empire. During those tense two days, one group played a key role not yet adequately recognized. The *babushkas*—old women with bandanas whom sophisticated Western tourists always noted but never spoke to—were, implausibly, at the heart of the drama.

I happened to be meeting with a large group of them, apolitical librarians, early on the second and decisive night of the crisis when martial law and a death-sentence curfew were suddenly proclaimed over the *putsch*-controlled television. Spontaneously and without discussion, they all left the meetings—not to go home as they had been ordered, but to join the young men on the barricades. Other elderly women were also there, rebuking the soldiers in the tanks that surrounded the Russian White House. Lacking clear orders from their military superiors, these young soldiers were now receiving moral commands from a rival authority—their mothers.

What could otherwise have escalated into a macho contest of violence between the crew cuts in the tanks and their pony-tailed cousins on the barricades was thus headed off by precisely those "old women in church" that Western observers no less than Soviet propagandists had so long patronizingly dismissed as symbols of the impending death of religion in the USSR. Now here they were—shaming potential attackers, feeding the resisters, manning medical stations for the attack they expected, and refusing to leave when the faintly male chauvinist Afghan veterans insisted they go because fighting was near. At about midnight, the Patriarch of the Orthodox Church broadcast a prayer in which he anathematized fratricidal bloodshed. Many of the old women began to pray, and perhaps those prayers *did* matter. The attack never came, and by dawn of the third day we realized that the tide had turned.

Religious feeling and practice continue to influence Russia's difficult search for a post-Communist legitimacy today. Perhaps the decisive influence will be the way the Russian people eventually come to grips with the greatest Christian martyrology of the twentieth-century (during the first five decades of Soviet rule), as well as the century's largest mass conversion to Christianity (during this last decade). It is amazing and tragic that Americans in general and Christians in particular seem not to be even aware of—let alone involved in—this spiritual struggle for the soul of a nation whose fate has for so long been intertwined with their own.

*—**James Billington** is Librarian of Congress and author of the classic history of Russian culture* The Icon and the Axe.

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By Karl Zinsmeister

Indicators

Special Edition on School Reform

SCHOOL RESULTS AND SPENDING

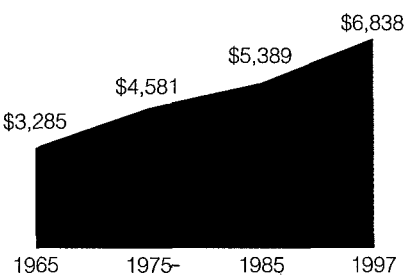
The previous installment of INDICATORS presented evidence of continuing deterioration in America's government-run public schools. We recently learned, along these lines, that **only about half of would-be public school teachers could pass a national test of basic reading, writing, and mathematics.** How many *sitting* teachers would also fail we don't know, because teacher unions and their advocates fiercely resist such screening. When the New Hampshire legislature recently passed a bill requiring that all public school teachers take a basic skills test, Democratic Governor Jeanne Shaheen vetoed it.

The politicians, administrators, and instructors responsible for our government-run schools say the trouble lies with problems brought to school by students. But while family breakdown and pop culture crud certainly don't help, **there is evidence that the main obstacle to educational excellence today is weak teaching and lousy curricula.**

For instance, the Third International Mathematics and Science Study, recently taken by more than a half-million pupils in 41 nations, revealed that **America's fourth-graders score above average internationally.** So the raw material entering school is adequate. **But the longer children sit in class, the further they fall behind counterparts in other countries. By the time they are high school seniors, U.S. students rank at the very bottom** internationally in science and math. (Other studies show the same pattern.)

To the extent they admit we have problems at all, public school apologists insist the solution is more money for existing institutions. But that flies in the face of all evidence. The graph below shows how public school spending has already risen over the last three decades:

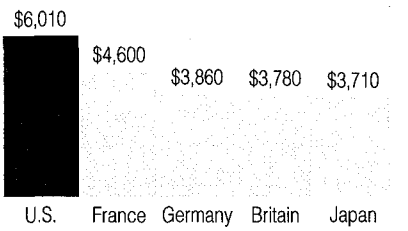
Public school spending per pupil
(constant 1997 $)



Source: Editor's calculations and projection from U.S. National Center for Education Statistics data.

Note that **during the very decades when our educational results were nosediving, public school spending was soaring.** Notice also, in the next graph, that **the U.S. already spends much more on schooling than our main industrial competitors,** all of whom outscore us on international tests.

1992 spending per pupil



Source: U.S. Department of Education.

More than 80 percent of U.S. public school spending goes for salaries and benefits, and teachers have profited greatly from this run-up in funding. **The average public school teacher now makes** over $40,000 for 185 days of work—which is **equivalent to over $50,000 a year** for someone working year-round. Again, international statistics show that U.S. teachers are paid better than their European counterparts.

As a sidenote, remember that **America's worst school systems are NOT starved for funds.** Washington, D.C., and New York City, for instance, are two of the best-funded systems in the country, yet their results are among the worst. Nor is the conventional wisdom about inequalities in school funding correct. Research by the National Center for Education Statistics shows that **school districts with predominantly minority student bodies actually spend about 15 percent more** than districts that are at least 95 percent white.

A recent Cato Institute study found that after Kansas City poured money into its public schools in response to a federal judge's desegregation edict—bringing spending per pupil to a gaudy $11,700 a year and dropping student-teacher ratios to 13:1—"the results were dismal." Test scores did not rise. Racial achievement gaps did not diminish. Only swimming pools and teacher paychecks got bigger.

The most thorough investigation of education funding has been done by University of Rochester economist Eric Hanushek. After reviewing 163 different studies, he reports that claims our schools have been improved by recent spending increases "are not supported by the data." Indeed, "on the basis of past performance and current structure of schools," **the result of additional spending on schools appears to be "a net *negative.*"** Simply providing more funding "is unlikely to improve student achievement."

ROUND-UP ON CHOICE REFORMS

If more money won't solve the problems that ail our schools, what will? A hint lies in recent studies by Harvard economist Caroline Hoxby. She compared school districts where parents are allowed to select their public school with ones where they are not: Even this limited competi-

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tion (which does not give parents the option to choose private schools) produced clear improvements. Interestingly, **more choice not only caused test scores in reading and math to go up, it also caused the cost of schooling to go down.** Hoxby concludes, "Public schools can and do react to competition by improving the schooling they offer and by reducing costs"—especially, she finds, if there are "fiscal implications" to losing students to other schools.

This improvement emerges wherever some brave reformer manages to challenge a local public school monopoly. A couple of years ago, after philanthropist Virginia Gilder offered private school scholarships to every student in a poorly performing Albany, New York school, local officials quickly replaced the school's principal, two assistant principals, and 12 ineffective teachers. Likewise, Arizona public schools now losing students to charter schools have suddenly begun to address failures ignored for years.

The key to better schools—both for students who flee and for those who stay behind—**is clearly to give parents and students choices in where they attend, so public schools will at last be forced either to improve their results or lose their customers.** Arizona education chief Lisa Keegan describes the critical requirement as "student-centered funding"—that is, channeling resources directly to families for them to use wherever they judge best, rather than following the old public school model of funding institutions (monopoly institutions at that).

In recent years, **there has been a minor bloom around the country of school choice programs that practice "student-centered funding."** Researchers Nina Shokraii and Sarah Youssef calculate that there are now 18 states that offer parents choices among public schools throughout the state; 20 states with "medium to strong charter school laws"; two states which allow parents to use public funding at public or private schools; three states offering tax credits for private education expenses; and three cities with public funding usable at any accredited school, public or private.

In addition to these governmental experiments, 37 different privately-funded school choice programs have sprung up around the country since 1990. In these, individual or business donors provide scholarships to low-income students that allow them to attend private or religious schools. The latest of these, just launched in San Antonio, Texas, by the group CEO America, offers full-tuition scholarships to every one of the 14,000 low-income children in San Antonio's Edgewood school district.

All of these choice programs have required bitter fights to see the light of day, and none are of more than pilot size, but their results so far are very encouraging. Take, for instance, Milwaukee's pioneering program that offers poor students government vouchers redeemable at private schools. A 1996 Harvard study of the students participating found they raised their math and reading scores enough that **if similar changes were made nationwide, the gap between white and minority test scores would close by one-third to one-half.** 1997 and 1998 Harvard studies of Cleveland's similar school choice program reported significant gains in language, science, reading, and social studies.

Two other important developments in school reform have also shown results recently. First, studies of the innovative Edison schools have appeared. Edison, a private, for-profit firm, has contracted to operate 25 different public schools in eight states. The Educational Testing Service found that in a very short time (the longest Edison contract is only three years old), **70 percent of the Edison schools have registered significant gains.** For instance, among students spending three years in one Edison school, the proportion scoring in the bottom 25 percent on reading tests fell from four out of ten to one out of ten.

The final bit of school reform encouragement comes on the legislative front, where strong political momentum has gathered in favor of Republican efforts to establish national Educational Savings Accounts. These would allow parents to put away up to $2,500 a year, tax free, for use in educating a child at any level—kindergarten through college. The funds could be used for tutoring, computers, or special needs of children in public schools. Or they could be used for private or religious school tuition—as the parent prefers. At this writing, the proposal has passed both the House and Senate and is likely to be vetoed by President Clinton, in obedience to the demands of public school teachers' unions.

SCHOOL CHOICE HYPOCRITES

Both President Clinton and Vice-President Al Gore have sent their children to private schools. Nothing wrong with that except one thing: **Both men have doggedly blocked measures that would give other American families the same opportunity** to choose whatever school they judge best for their kids.

Lots of other politicians have likewise voted against extensions of school choice to everyday citizens while simultaneously choosing private schools for their own precious child. A 1997 Heritage Foundation survey of members of Congress found that 34 percent of responding representatives and 50 percent of senators (including many school choice opponents) sent their offspring to private schools.

Public servants sending their kids to private schools

President Bill Clinton	yes
Vice-President Al Gore	yes
Members of the Senate	50%
Members of the House	34%
Public school teachers in many cities	40-50%

Sources: News reports; Heritage Foundation; Denis Doyle.

Driving this hypocrisy is the desire of politicians, Democrats especially, to curry favor with the nation's politically aggressive teachers' unions. Which is galling, because National Education Association and American Federation of Teachers members are some of the worst hypocrites of all. A shocking **53 percent of all public school teachers in Cleveland, 49 percent in Boston, 40 percent in Los Angeles,** and similar high proportions in other locales **send their own children not to public schools but to private ones.** What do they know that we should?

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Two Views

CHINA HAS MADE SOME PROGRESS TOWARD FREEDOM. THE QUESTION IS: HOW FAST AND HOW FAR WILL IT GO?

Is China Becoming Democratic?

Henry S. Rowen

Without exception, rich countries are democracies (more or less) and stay that way. Some poor countries are also democracies, but most are not. And few of the poor democracies stay democratic over time. Although the progression isn't always smooth, the historical pattern is clear: As countries get richer they become more democratic.

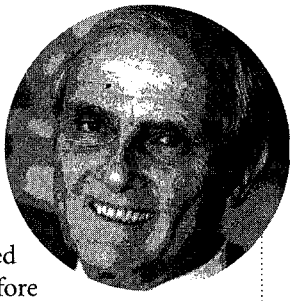
The Asian nations are no exception—notwithstanding rhetoric about how Asian values differ from Western ones. As they became middle-income countries, Taiwan and South Korea, for instance, turned into democracies. Rich Singapore is a mixed case, but Freedom House (which annually rates all countries according to their political and civil rights) scores it as "partly free."

IT'S LIKELY THE CHINESE WILL JOIN THE CLUB OF NATIONS WELL ALONG ON THE ROAD TO DEMOCRACY WITHIN TWO DECADES FROM NOW.

What about China's political future? Currently, the country is run by a Leninist party that brooks no political opposition; there remain controls over people's lives, including the right to have children; there is no freedom to publicly voice views distasteful to the regime; and, to varying degrees, religious practices are suppressed. Despite Chinese President Jiang Zemin's professed regard for Western-style freedom and the rule of law, he makes it clear the Communist party will remain supreme.

But the political positives are also substantial and growing in China. Personal liberties have advanced greatly. The three-fold increase in average incomes since 1980 is not only giving people more and better material goods, it is also making them less vulnerable to the dictates of bosses, bureaucrats, and the police. No longer is a state-provided job the only way to avoid starvation.

There are other changes: Controls on personal and home life are eroding (especially for the huge "floating population" of people not connected to work units), educational levels are increasing, and people have vastly greater access to information



James R. Lilley

Will China transform itself into a Western-style democracy? Can the United States do anything to encourage this? Before answering, consider Yale professor Jonathan Spence's book *To Change China*. Spence describes the failed attempts of foreigners, from the Jesuit Matteo Ricci in the seventeenth century to General George Marshall in the twentieth, to impose solutions on an imperfect China. In all cases, China was influenced but did not convert.

Christianity came to a weakened China in force after the Opium War of 1840. The result was not a Christian China but the Taiping Rebellion, which killed 20 million Chinese and was led by an epileptic who believed he was the brother of Jesus Christ. Marxism came to China in 1921 when the Communist party of China was founded in Shanghai. The result was not a new socialist China in the Stalin model but the Great Leap Forward of 1959, when Chairman Mao hoped to propel China into the advanced stage of Communism. Instead, 40 million Chinese died—most of them starved to death in failed communes. When free market forces were introduced into Communist China in 1978 by Deng Xiaoping, the result was not an evolving democracy but the massacre at Tiananmen Square in 1989.

In short, when outsiders apply their standards to China and try to introduce new systems quickly or forcefully, what occurs is never quite what was planned. Tragedy can ensue. China does alter course, but in a Chinese way.

Today, free market forces are pushing back the state in nearly all sectors of China's economy. Christianity has never been stronger. Yet China is still ruled by a single Communist party backed by a powerful military and bureaucracy which will not give up a monopoly political power.

Authoritarian rule in China has lasted for 4,000 years. An emperor has historically ruled from the center with the support of a massive bureaucracy. There are long traditions of violence and suppression, of conformity and enforced collectivized living, of ruler worship and obedience. A political timidity, not easily uprooted, lies at the center of Chinese society.

Moreover, today no organized opposition is permitted to root in labor unions, civic organizations, youth groups, or other bodies which could challenge the regime. The Chinese have lived for ages with this phenomenon. And the fact that

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ROWEN continued

about China and the outside world. (There are also negative changes in the quality of life, including an increase in corruption and crime.)

The People's Republic of China is no longer a totalitarian regime. Younger, better educated people have been replacing older cadres in the Communist party; this does not make them democrats, but it does make them more open to new ideas. The political system is becoming less centralized, a change that allows for more diversity and experimentation not only in economic affairs but also, within limits, in politics. For instance, the central authorities no longer hand out lists of people to be appointed far down into the provincial governments. And elections, increasingly with elements of competition reaching beyond the Communist party, are held in villages. Elections might be extended to townships within the next several years; after that might come the counties, and so on.

There is the beginning of a rule of law, a process that entails struggle between an established system and an emerging one. In the old one, the judiciary lacks independence. The new system trying to emerge has laws, limits to the arbitrary decisions of judges, and better educated judges and lawyers. Still, despite significant movement in this direction a great deal more needs to be done before it can be said the Chinese live under the rule of law.

For 20 years, China's economy has been growing at a remarkable 6 percent a year on average, measured in international prices. If all continues to go well (not a sure thing), by 2015 China will have a per capita GDP of about $7,000—the level at which all previous countries have become at least "partly free" in the Freedom House ratings. Although no one is likely to confuse China that year with, say, Sweden, it's likely the Chinese will join the club of nations well along on the road to democracy within two decades from now.

Of course, it is hard to predict the timing of political changes. To take a recent example, some people realized the Soviet economy was on the ropes in the 1980s, but hardly anyone predicted that the regime was about to collapse. Clearly, though, the question today is not *whether* China will become a society that honors basic political and civil rights, but when.

If you doubt that, try the following thought experiment: Imagine a prosperous China, with an educated, well-informed, home-owning, and well-traveled population engaged in a host of transactions with the rest of the world. Now imagine this population is still ruled by a party with something like the monopoly of power and controls over behavior that exist today. The combination simply doesn't compute.

Either China will remain relatively poor and authoritarian, or it will become rich and pluralistic—and it seems to have chosen the latter path.

Henry S. Rowen is the director of the Asia/Pacific Research Center at Stanford University and a senior fellow at the Hoover Institution.

LILLEY continued

today's authoritarian state can deliver a better material life to most Chinese, while also providing a nationalist vision of a restored Greater China, works to keep forces of political change in check.

The overriding slogan for most Chinese today is "Make money, not politics." Attempts to go outside the political system to try to change it can end in death and destruction. Can the system change from within? There have been village elections that have taken on a democratic tinge. There is unquestionably more mobility in society, more openness, and thousands of commercial decisions made daily with no reference to Communist ideology or control.

A POLITICAL TIMIDITY, NOT EASILY UPROOTED, LIES AT THE CENTER OF CHINESE SOCIETY.

Looking at the dramatic changes that have swept China over the last 70 years, a Western observer can easily be forgiven for predicting that the next stage will be a form of democracy based on rising incomes and middle-class expectations. To support this, dramatic Chinese heroes appear: Wei Jingsheng says there must be a fifth modernization—democracy. Fang Li Zhi, whom I harbored for 13 months when I was U.S. Ambassador to China, says democracy is an historic inevitability based on the principles of physics. Exiled Chinese writers sketch what we want to see: a China of freer speech, democratic elections, and separation of powers.

A new generation of achievement-oriented leaders will soon take charge in China. They will be influenced by Western ways, especially technology, management techniques, and rule of law. But the primary concern of the Chinese will be to grow strong, prosperous, and respected in Asia and elsewhere. Their fears will be chaos, fragmentation, and foreign intervention. Democracy will be important but secondary.

I expect that for the foreseeable future China will be governed by top-down authoritarian leadership with tight controls on political dissent. Economic success and military modernization have given the strong-arm leaders internal legitimacy and world respect. Changes will come to China for pragmatic reasons, but they will be kept within bounds, with no challenges to centralized one-party domination being tolerated.

I expect that although 25 years from now China will look a lot different, the prevailing dynasty will not be ready to fall.

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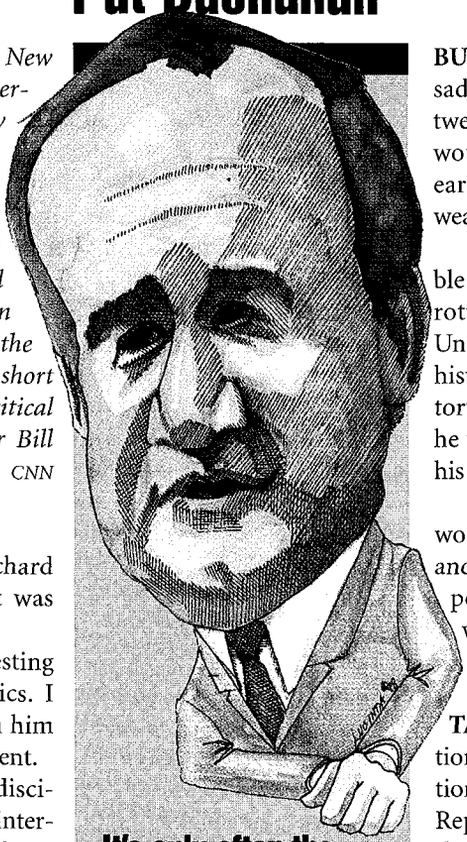
"Live" with TAE

A LIVELY FORCE IN THE REPUBLICAN PARTY DESCRIBES HOW HE EVOLVED FROM COLD WAR INTERNATIONALIST TO ECONOMIC PROTECTIONIST.

Pat Buchanan



It's only after the Cold War was over that I became opposed to an interventionist foreign policy.

Patrick J. Buchanan—winner of the 1996 New Hampshire GOP primary, ubiquitous TV personality—is one talking head who actually possesses a body, brain, and soul as well. By turns combative and convivial, Buchanan is virtually the only current political candidate who writes his own material. His latest book, The Great Betrayal, *is an impassioned argument for the Republican Party to return to the protectionist positions it upheld for the first 100 years of its existence. (We print a short extract on page 31 of this issue, and a critical review on page 74.)* TAE *Associate Editor Bill Kauffman interviewed Buchanan at the CNN building in Washington, D.C.*

TAE: You travelled and worked with Richard Nixon before his 1968 campaign. What was Nixon like then?

BUCHANAN: Nixon was the most interesting figure I've ever met in American politics. I joined him in January 1966 and was with him for three full years before he became president.

He was a spartan, tremendously disciplined. He worked constantly. He had no interest in the law. He once told me, "If all I did was practice law I'd be intellectually dead in two years and physically dead in four." He was a consumer of information, intelligence, ideas, arguments, stories, anecdotes.

I'd work outside his office. I'd handle his correspondence. I collaborated with him on his syndicated column.

But I would spend three and four hours a day in his office arguing issues and policies back and forth and he would wrestle them around with you: a tremendous and exhausting mind.

He was a good boss. I cannot recall him, almost ever, in the nine years I worked for him, raising his voice to me in any way that I would find offensive.

TAE: Did Watergate and the resignation make Nixon a better person: more thoughtful, more appreciative of friends and loyalists?

BUCHANAN: Yes, I think it probably did. The sad thing about Nixon, and the difference between Nixon and Reagan, was Nixon had been wounded so badly back there in the '40s and early '50s. It was like a wound that when the weather gets bad he feels the pain again.

And he could not get behind him that terrible things were done by some pretty nasty and rotten people. But he was President of the United States. Forget about that. That's ancient history. Go forward to the horizon and to history. Because when they came after him again, he would go back and fight instead of keeping his eyes on the prize.

Reagan had a more healthy anger. He would come downstairs blasting Tip O'Neill, and it would be over. It would be an Irish temper that exploded, and in an hour the sun would come out. It was over, it was behind him, and he was looking forward, and I think that's one of the big differences.

TAE: You've served two of our most internationalist presidents, Nixon and Reagan. Your nationalism is, in some ways, a repudiation of their Republican internationalism. Did either of them ever convey to you disappointment over your isolationist path?

BUCHANAN: During the Cold War I did not hold the nationalist views on foreign policy that I hold today. I agreed with both presidents that the Cold War had to be fought, that it was America's war. I urged Nixon during Vietnam to end the war quickly in an American victory.

With Ronald Reagan, I agreed with his policies a hundred percent. I was very nervous about some of the negotiations with the Soviets, but I was a Cold Warrior, unapologetic, right on through to the end.

Where we part company is once the Cold War was over. My war is over, now let's go home. We won the victory. Let's go home and repair and restore and heal our own society. The Soviet Union bankrupted and destroyed itself, but we're also $5 trillion in debt because of that

Illustration by Lucinda S. Levine

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Cold War. It's only after the Cold War was over that I became opposed to an interventionist foreign policy.

TAE: But they remained internationalist.

BUCHANAN: Richard Nixon would still be there. Ronald Reagan, were he active today, would be adopting some of the economic nationalist positions I take.

He talked free trade—I used to write his statements—but his heart was that of an economic nationalist. He put the quotas on steel, he put the quotas on machine tools. He demanded that the Japanese open up their market and give us 20 percent of their computer-chip market. He saved Harley Davidson with a 50 percent tariff.

I cannot see Ronald Reagan signing away American sovereignty to the World Trade Organization. Here was a guy that told them what they could do with the Law of the Sea Treaty. He believed in American sovereignty. So he would have moved closer to where I am today, but Nixon and I would have stayed apart.

TAE: In the days after your New Hampshire win in 1996, you were subjected to a two-minute hate right out of *1984*—with you in the role of Goldstein. Why the hysteria?

BUCHANAN: Because all of a sudden, the establishment saw that I could win the nomination. This was not good old Pat raising Cain in New Hampshire; we had broken through. A friend of mine said—though I probably shouldn't repeat his metaphor—"Pat, after your win, Washington, D.C. was like Paris when the news came that Rommel had broken through in the Ardennes."

TAE: Almost every Buchanan supporter I spoke with said they believed that if you'd won several more primaries and become the presumptive Republican nominee, you'd have been shot, presumably by a lone gunman, maybe one thoughtful enough to keep a diary like Arthur Bremer. Did this cross your mind?

BUCHANAN: It crosses your mind, sure. I was down at the University of Dallas, and as I came out after speaking, one of the reporters asked me what I thought about the assassination attempt. It turns out a car had gotten into our motorcade and gone through the police lines, and the police had rushed it. They caught the individual: he had a pistol between his legs, and a sniper-scope rifle loaded in the trunk. He was armed to the teeth. They held him and investigated it as a real assassination attempt. The Secret Service told me about 24 hours later, "We investigated very closely, Pat; apparently he was a member of the North Texas Militia who got into the motorcade just to hear you speak, and he's armed that way all the time."

I'm not for keeping imports out. I think imports should carry, however, a larger share of the tax burden.

TAE: Harassing a law-abiding citizen.

BUCHANAN: Exactly. One of my strongest supporters.

TAE: Is it possible to remain friends with people who call you a fascist or an anti-Semite?

BUCHANAN: No.

TAE: Then Williams Buckley, Safire, and Bennett are not friends anymore?

BUCHANAN: No.

TAE: Jack Kemp?

BUCHANAN: Kemp's been critical of me, but I've talked to Jack on the phone recently a couple of times. I disagree with a lot of his ideas: he's very much a globalist, and I'm on the other side. But I think he's got a good heart.

TAE: In recent years a coalition of populists—you, Ross Perot, Jerry Brown, Ralph Nader, Jesse Jackson—have come together on NAFTA, GATT, the Gulf War, term limits, pay raises. Would it make sense for this coalition to be one political party and the Clintons and Gingriches to be the other?

BUCHANAN: I think something like that is coming. The Republican Party at its grass roots is much more economic-nationalist in trade policy, much more America First in foreign policy. The globalists and free traders and interventionists still control the party at its hierarchy, but they are chiefs without Indians.

We can form coalitions with Bonior, Gephardt, Kucinich, Nader, and others, on raising the standard of living of American workers and American families, security and stability for communities. These are true conservative ideas, and you can have ad hoc coalitions on that. Where we disagree, of course, is on the size and role of the federal government.

But I enjoy working with these fellows, and there's no doubt where the momentum is: It's in our direction. One day, Buchananism is going to take over the Republican Party—even if Buchanan does not.

TAE: Norman Mailer, writing in *Esquire*, wanted you to become a Democrat. How did your day with Norman go?

BUCHANAN: Oh, it was delightful. He came over to the house and we had three hours of talking back and forth. Norman and I shared a little moment in history at the Democratic convention in 1968, where I was Nixon's eyes and ears. I was on the nineteenth floor: We had a suite in what we called the "Comrade Hilton Hotel."

There were demonstrations across the street. Late in the afternoon, we started imbibing in our suite, and Norman Mailer shows up

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with this boxer, José Torres. We're talking, having a great time, and we heard a racket. Looking down from the nineteenth floor, we observed the riot. The cops came up that street, and they went into those demonstrators, and they were clubbing them left, right, and center.

We were sitting there as though we were up on the 50-yard line while this whole thing was going on. Torres was cursing the cops; I had a different view of what was going on. I'd been down among those demonstrators the night before, and because I had a coat and tie on they thought I was FBI.

TAE: How did you evolve from a Reaganite free trader into a McKinleyite protectionist? Do you accept the label "protectionist"?

BUCHANAN: "Economic nationalist" is more accurate, because I don't believe we ought to have tariffs with Canada. Canada is going to be absorbed into the United States—it is already, economically. If I were a Canadian, I'd be nervous as I could be.

I also don't believe you want protective tariffs in trading with Great Britain or the European Union. A revenue tariff of, say, 15 percent, maximizes your revenue from tariffs so you can cut taxes on small businesses and working folks in America.

I would use a protective tariff on Third World and Asian countries where the wage levels are 5 percent of ours. That's not fair competition. You're just going to drive American wages down.

I don't think we ought to run away from the protective tariff: it's an idea that's as Republican as Bill McKinley. McKinley and those fellows who are now so denigrated were nationalist to the core, and they had a tremendous following among American workers.

Many of the empire builders, whether they intended it or not, helped build America into a great nation. Some of them were as ruthless as they could be, but from 1865 to 1913, no nation in history ever made the kinds of strides the United States of America made; and working America shared in them totally.

The economic nationalists of the post-Lincoln pre-World War II era believed in protectionism because it guaranteed the manufacturing independence and supremacy of the United States of America, and it protected the highest wages in the world for American workers.

TAE: How did you come to these views? Was it an intellectual evolution, or was it emotional?

BUCHANAN: New Hampshire was in terrible shape in 1991; I had no idea how bad it was.

The libertarian idea is a globalist idea. It says, in effect, the nation is almost nothing. So we part company on that, but I've got a lot of respect for their intellectual integrity.

Homes were being auctioned off for the taxes. Shopping centers and malls were deserted. That really looked like the Depression. And I was at a paper mill when these fellows were being laid off. My campaign manager said to shake hands with them, and I was nervous about it because they looked as if they would tell you where you could go.

I started shaking hands with them, and this one guy who was about my age looks up, tears in his eyes, he's a tough-looking guy, and just said "save our jobs."

Then I go down to Manchester that night, and a guy shows me a newspaper clipping where the United States is financing a new paper mill in Mexico. What in heaven's name are we doing to our own country and our own people?

Look, I know what free trade brings, because I've been out to Tysons Corner Mall. I see all this junk, different color shoes and things, but do we realize the price we're paying in terms of community? Eighteen percent of women with kids under six were in the labor force in 1960—now it's almost 65 percent.

If we want to preserve families and neighborhoods and communities, what is the greatest thing that's tearing them up right now? This churning, free-trade, global economy which treats working people as factors of production. It really lacks humanity.

TAE: Even if protectionism springs from patriotic motives, won't it enrich those industries that employ the savviest lobbyists? The old populists used to say that the tariff is mother to the trust.

BUCHANAN: Take a look at the fast track debate. Look who was fighting against fast track with their couple of little fax machines, and look at the people who were for fast track: lobbyists of the richest corporations in America.

The truth is that the people who benefit from free trade now are global corporations who have no loyalty to this country, and who have made these enormous profits by getting rid of American workers, shutting down American factories, and globalizing.

Industrialists are benefiting from free trade, only it happens to be global industrialists. And if the choice is between General Motors in 1998 and General Motors in 1958, I say what's good for General Motors in 1958 is good for America. What's good in 1998 is not necessarily good for America, because General Motors is never going to build another auto plant in this country.

TAE: You use a language of bellicosity in dis-

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cussing trade. Words like *war* and *conquest* and *crush.* What is so warlike about, say, a winery in France shipping a bottle of wine across the ocean that I can purchase?

BUCHANAN: I think you ought to be allowed to buy French wines. But I'll tell you what I'd do: I'd put a 15 percent tariff on the French wines and take all the revenue we get from Kauffman buying his French wines and cut the taxes, and give an investment credit for California vineyards. You get your French wines, and the American California wines cost less. What's wrong with that?

TAE: Because I live in upstate New York, I buy upstate New York wines. But this gets to the question: to what extent are American consumers complicit in this? Is the American who had a choice at one point between an American TV and a Japanese TV that was somewhat cheaper to blame?

BUCHANAN: I don't blame the consumers, I blame the American government. The television industry is a national asset, and it seems to me a government's got an obligation not to let it be wiped out.

I do think we should have access to the best products: I'm not for keeping imports out. I think imports should carry, however, a larger share of the tax burden. And if it looks like they're going to run your company out of business, I would slap on a tariff and give you a chance to come back, like Reagan did with Harley. Because I'm an American. This is an American company; they pay taxes, they hire Americans.

TAE: You write that "free trade is a matter about which it is not acceptable to dissent and remain inside the church" of the conservative movement. Why?

BUCHANAN: It has evolved into an article of faith, and it never was. It's not America's heritage: It's not Hamilton and Washington, it's not Madison, it's not the elder Jefferson and Adams; it's certainly not Andrew Jackson, who was going to hang John C. Calhoun over the tariff of abominations. It's not Lincoln, who was the great protectionist of the Republican Party; it is not Republicans from 1865 to 1932. When did it become an article of faith?

What happened is a lot of liberal Democrats and globalists and young conservatives of my generation bought into a libertarian bill of goods that free trade was conservatism, and it's not. Free trade goes back to the classical liberals of the nineteenth century. These are foreign scribblers, none of whom ever built a great nation. The greatest Americans were economic nationalists, and they showed that economic progress and protectionism go hand in hand. Free traders say the country that practices protectionism has no innovation, it atrophies and dies. Look at late nineteenth-century America: crushing the British in every department, while our imports are going down from 8 percent of GNP to 4 percent.

The United States is the greatest miracle in history under a protectionist regime. That's our history and tradition. What bothers me is not that some folks disagree, but they say, "It's a litmus test. He's out of the movement. That's it for him." I find that preposterous.

TAE: In your book you quote Ludwig von Mises, sometimes favorably, sometimes not, far more than any other economist. I take it that you still have a sentimental or personal attachment to the libertarian free traders?

BUCHANAN: I like a lot of those guys. Murray Rothbard was a great man. He told the libertarians, "Look, Buchanan's our ally. In our lives we are allowed to have one heresy. He's got one: free trade and protectionism."

But when you get right down to it, the libertarian idea is a globalist idea. It's individual and it says, in effect, the nation is almost nothing. And I'm a nationalist. So we part company on that, but I've got a lot of respect for their intellectual integrity.

TAE: Mises, Hayek, Rand, Leo Strauss, Max Schachtman: Most of the major intellectual influences on the contemporary Right have known next to nothing of American life or American history. Is that odd?

BUCHANAN: This is their extraordinary weakness: They don't know anything about American history, and most of them don't care anything about American history. But American history contradicts theory on point after point.

There's a reason why America believed in economic nationalism from its very inception all the way up to the New Deal: It worked. Hamilton and Washington's policies succeeded. Jefferson's got this money in the bank when Louisiana comes around for a purchase. Madison started as a free trader, but all of a sudden in American ports British ships are showing up with all these goods, trying to kill American industry. Bam, he puts on the tariff of 1816.

To these people, issues of tariffs and trade were life and death. They weren't sitting in some library working up a mathematical theory. And it worked all through the nineteenth century. Bismarck said, "I don't care about theories. I see what the Americans are doing, and they're gaining, and the British are declining. Let's follow the Americans." So the Germans adopted the American system.

Economic nationalism has won the battle in the past. And it's going to win the battle in the future. Rubin and these fellows can run around with $120 billion trying to keep up their global new world order, but look at what's happened in Asia: These countries will go along with the global free trade system only as long as the net balance of aid, of loans, of investment, and of trade surpluses is in their favor. If ever the Americans started benefiting, they'd drop out of the system in a second, and they will.

TAE: Do you still drive the Mercedes that got you in trouble in 1992?

BUCHANAN: No, I sold the Mercedes to the gentleman who sold it to me, who was a former lineman for the Redskins. It was a fine automobile but it's gone. I chased it all the way out to [Route] 123, crying all the way. But I think the point is well taken that you ought to support the products of your own country. I bought it before I was an economic nationalist.

Joe Sobran sent me a copy of his book on Shakespeare, and it was inscribed, "To Pat Buchanan, Every word of this book was written in the United States of America."

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A Chinese Century?

BY JOEL KOTKIN

A YEAR AGO, Los Angeles banker Chris Leu sat in the gilded halls of the Ritz Hotel in Paris, watching the coronation of a new global elite. He listened to architect I. M. Pei, Computer Associates' CEO Charles Wang, and Deng Pu-Feng, son of the late Chinese Communist leader Deng Xiaoping, celebrate the ascendance of the Chinese people in world affairs.

This $3.5 million conference for "Asian achievers" spotlighted the accomplishments of ethnic Chinese, both on the mainland and in the vast "bamboo network" that has grown up among a Chinese diaspora that stretches across Asia and into America. It was a heady experience for Leu, the hundred or so mostly Chinese entrepreneurs, and the few *kweilo* guests (including this author). Financed by offshore Chinese money, the lavish event had a palpable air of triumph. "It was a little too much," the 38-year-old Leu reminisces now over breakfast at the Pacific Dining Car, a watering hole for local movers and shakers in central Los Angeles. "The theme was the passing of succession from one generation and group to another."

Today, Leu admits, the prospects of such a "succession" appear far less dazzling. Much of Southeast Asia is in financial turmoil, particularly riot-scarred Indonesia, the base for Leu's own United Pacific Bank. Many of those businessmen so proud in Paris are now scrambling to bail out businesses awash in devalued currencies like the baht, rupiah, ringgit, and won. Even mighty China herself, linchpin of the bamboo network, seems shaky, struggling to merge authoritarian central control with an increasingly entrepreneurial, decentralized economy. The rise of Asian political power within the United States also appears stymied, the product of numerous, often sordid campaign-finance scandals.

Yet despite all these problems, Leu and most Chinese entrepreneurs have not lost faith in the long term, where they see Chinese culture and demographics triumphing.

Leu believes the enduring strength of the Chinese family, especially compared to its Western counterpart, will continue to churn out dedicated workers, managers, and entrepreneurs at a phenomenal rate. Although a practicing Christian, Leu sends his two children to Chinese schools, where they learn both the language and the family-centered traditions of their people. Add to this familial strength the numbers—the 1.3 billion people of China and her diaspora—and you have a market momentum unmatched anywhere in the world. Millions of new people are entering the labor force, going to school, learning skills, saving money, and starting companies on a scale unprecedented in global history.

WHEN SOUTHEAST ASIA'S economic crisis surfaced last summer, just months after the glamorous Paris confab, it produced two distinct reactions in the West. Some Westerners worried the Asian meltdown would harm the global economy. Others basked in self-congratulation, as Western financiers, media,

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Illustration by Ralph Butler

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and corporate elites claimed vindication for their own form of capitalism. Some press coverage and even professional commentary from groups like the New York Federal Reserve Bank were embarrassingly gleeful. Quoting investment bankers and analysts, the *New York Times* reported that "the important thing...is that New York is in the game and calling the plays."

Yet it makes as much sense to write off the Chinese ascendancy today as it would have to reject America's rise in the midst of the many financial panics of the nineteenth century. Indeed, one does not have to go back that far: Just recall the Japanese who took America's woes in the 1970s as proof of their inherent superiority. Temporary crises should not be confused with long-term economic power shifts.

History, culture, demographics, and most of all the strength of the Chinese family will make China a dominant economic force in the twenty-first century.

In the long run, the battle will be won not on Wall Street but in factories, laboratories, and design studios. And the Chinese-owned family firms operating throughout the Pacific Basin are not going to disappear. Before long they will again be competing fiercely with millions of workers, entrepreneurs, and producers across America.

Another common mistake is to lump all Asian economies together. The various states of this vast region are at least as different as those of Europe or Latin America. Some economies, particularly Muslim-dominated Malaysia and Indonesia, are essentially Third World countries being lifted toward middle-class status by small but highly influential Chinese commercial elites. If those elites feel so threatened by political chaos or racial antagonism that they flee, these countries could find themselves unable to sustain their own development.

At the same time, two of the more prominent Asian economies now in trouble, South Korea and Japan, operate under systems quite unlike those established by the offshore Chinese. Instead of the Chinese model of a vast network of family-firms with global reach, these two economies are dominated by a handful of powerful conglomerates, the so-called *keiretsu* in Japan and *chaebol* in Korea, that traditionally have also controlled the financial, manufacturing, and political systems of their countries. With a population less than half South Korea's, Taiwan boasts nearly ten times as many trading companies and three times as many firms, all but a few of them family-run. "What makes the Chinese so competitive in places like Hong Kong and Taiwan, and in the last ten years China," Leu explains, is the "hundreds of factories and small enterprises" they establish on their own—instead of building the giant, government-directed firms Korea and Japan are known for.

Chinese-style capitalism is also far more cosmopolitan. The industries now heavily under Chinese influence—such as garments, toys, watches, and increasingly computer components—are controlled by executives whose permanent residence can range from Thailand and Indonesia to Taiwan and Hong Kong—or Los Angeles, San Jose, Vancouver, Toronto, and New Jersey. Meanwhile, Japanese salarymen and their Korean counterparts abroad are rotating bands of executives who rarely settle in or even competently integrate into other societies. They are essentially corporate Jesuits, following plans designed by the home base, to which they soon return. In a Japanese company, it's always Tokyo time, and the only stock market that matters is the Nikkei.

Chinese capitalism is fundamentally different. Instead of following the strategic decisions of large institutions, Chinese capital tends to be in the hands of private investors and to circulate freely from country to country, often through various branches of the same family. Funds invested one week in Malaysia find their way to Thailand or Canada the next, frequently disguised under corporate fronts that make the money trail virtually impossible to trace. This capital is also highly opportunistic, flowing from market to market as conditions change.

For example, Chinese capitalists in the early 1990s began shifting their investments to distressed, underpriced markets like British Columbia, California, and Texas, just as European, Japanese, and American institutional investors had bailed out. Now Chinese capital may be moving out of suddenly unstable places like Indonesia, Chris Leu suspects, for "safer" investments in North America, Latin America, and mainland China. Last year, for example, global investment in China grew by only 3 percent, but money from Taiwan jumped 22 percent.

Equally critical are the motivations these investors have. Although ethnic pride remains strong among Chinese, their investments are almost invariably made for opportunistic business or family reasons. In contrast, Koreans have encouraged their *chaebol* to enter semiconductor, auto, and other expensive markets as part of a centrally directed "nation-building" enterprise. Muslim leaders in Indonesia and Malaysia have sunk billions into prestige building and industrial projects, including a grandiose high-rise and multimedia complex in Kuala Lumpur and a madcap aerospace project in Indonesia.

Such wasteful investment, often dictated by gov-

The World's Biggest Shadow Economy

Estimates are that the 51 million "Overseas Chinese"—ethnic Chinese now living throughout the world, including some of the fabulously wealthy *taipans* of Southeast Asia—now control $700 billion worth of annual sales. This is roughly the size of the GDP of their 1.2 billion brethren on the mainland. Their liquid wealth (cash, gold, shares) may run to as much as $2.5 trillion, more than the combined GDP of France and Germany.

—*From* Big Dragon *by Daniel Burstein and Arne de Keijzer, 1998.*

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ernment, has left these countries financially strapped during the recent downturn, forcing them to appeal to the International Monetary Fund. By comparison, the Chinese-based economies have been slowed but not humbled by Asia's slump. In fact, Taiwan, Singapore, and Hong Kong retain vast currency reserves in U.S. dollars and other foreign currencies. With only about 30 million persons in combined population, Taiwan has $83 billion in dollar reserves, Singapore $75 billion, and Hong Kong $64 billion. That totals to more than the entire reserves of Japan, or the combined states of the European Union. Korea, with a far larger population than any of the Chinese statelets, has a measly $21 billion in reserves, while Thailand, Indonesia, Malaysia, and the Philippines, with a combined population of over 366 million, have around $75 billion.

Fat reserves are one reason why the currencies of the Chinese-dominated areas have not tumbled like those of other Southeast Asian countries. To be sure, these Chinese capitalist havens will be hurt by the mounting problems in Southeast Asia, which has been their primary market. But they have diversified industries that are competitive and well-financed, and their range of markets, including North America and Europe, will insulate them considerably from the Southeast Asian downturn.

Finally, and increasingly at the center of these questions, lies mainland China itself. Still emerging from its feudal and Communist past, China has continued to show outstanding if slowing growth. Like the Chinese city-states, it is also amassing an enormous hoard of "other people's money," with foreign currency reserves topping $141 billion in 1998, up from $104 billion just last year. China's contradictions—a desire for rapid growth and modernity, along with a deep fear of chaos—make it likely that the country will have its share of bumps and even crashes along the way to world prominence. Attempts to inflate the economy with massive spending and to build government-backed conglomerates, as well as continued suppressions of free speech, all war with the capitalist spirit animating the Chinese people both on the mainland and throughout the diaspora.

But history, culture, demographics, and most of all the strength of the Chinese family should dissuade anyone from dismissing the mainland's potential to become a dominant economic force in the twenty-first century. Like their nineteenth-century counterparts, today's Communist mandarins may slow progress. But I believe the pragmatic Chinese, led by Western-educated technocrats and intellectuals, will eventually demolish the vestiges of the Maoist state—not because Westerners wish it, but because it will prove necessary to progress.

It is not in the Chinese homeland but rather among the far-flung diaspora that China's distinctive and potent form of capitalism grew up.

IRONICALLY, IT IS NOT IN THE CHINESE homeland but rather amongst the far-flung diaspora that China's distinctive and potent form of capitalism grew up. Europeans first noticed the diaspora in the seventeenth century. As early as 1621, British traveler Sir Thomas Herbert described the local Chinese merchants as "Jew-like" people who made their living by "gleaning here and there" under the most difficult circumstances.

The Chinese had moved into Southeast Asia centuries earlier, through imperial expansionism. By the fifteenth century, Chinese influence expanded to locales as remote as Vietnam, Malaysia, Cambodia, and Java. Then the xenophobic Manchus reversed this expansionist course. By the mid-seventeenth century, the Ch'ing dynasty officially forbade migration for either trade or settlement, and in 1712 it ordered all Chinese living overseas to return home.

Many Chinese, however, rejected their new rulers as barbarian interlopers and continued to migrate. Seeking escape from both Manchu repression and growing poverty, millions of Chinese sought their fortune in the newly European-dominated regions of Asia. Like the Jews in their diaspora, these Chinese immigrants did not lose their ethnic identity or Confucian beliefs as they sojourned in the south. Instead they quickly established their own schools, temples, and holidays, reinforcing for each generation the memory of China's greatness and the teachings of its sages.

But dispersion did change the sojourners and shift the balance of power within Chinese society. For one thing, roughly three-fifths of the migrants heading to Southeast Asia, and later the Americas, came not from central or northern China, the traditional centers of Chinese culture, but from the relatively coarse, southern end of the country. Residents of a relatively ill-governed part of the empire, the Southerners were more willing to ignore imperial writ.

In the new cities settled by these ill-regarded Southerners and coastal dwellers—Hong Kong, Singapore, Shanghai, and later Taipei—a process began which Singapore investor Ong Beng Seng has called "the transformation of Chinese peasant-entrepreneurs into an urban people." These Chinese were the first to abandon old ways of thought, cut off the queue in their hair (symbol of subservience to the hated Manchus), and don Western dress. Though they did not reject Confucianism, these new Chinese transformed it into something sociologist Ambrose King describes as "the culture of rationalistic traditionalism," a combination of traditional, filial, and group virtues with a pragmatism shaped by their new, competitive environment.

This rising Chinese class possessed "an amazing willingness to split their personalities" between British and Chinese characteristics, historian Michael Godley reports. Some, like the tycoon Foo Choo Choon, managed to be both British subjects and Ch'ing officials at the same time. Another of these Anglo-Chinese gentlemen, Singapore businessman Lee Bok Boon, returned home to China in order to use his wealth to purchase a rank in the Ch'ing bureaucracy; yet he arranged for an English education for his son, left behind in Singapore. By the 1960s, Lee's great-grandson, Lee Kuan Yew, emerged as the leader of the newly independent Singaporean state. A graduate of Cambridge with an outstanding record, Lee boasted that his fine

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British education made it possible for him to speak "as equals" with the elites of the West.

Japanese economist Yoshihara Kunio observes that these "new Chinese" relied almost exclusively on the European institutional-legal order to set the stage for their economic advance. In the new European-dominated world, the Chinese filled critical economic niches as artisans and traders, often serving as middlemen between the dominant elite—European merchants, plantation owners, and colonial officials—and the masses of native farmers. "They had no choice but to become active in business, in trade," notes Rustam Sani, a senior fellow at the Malaysian Institute for Strategic and International Studies. "Malays could retreat

China Will Bloom

By Murray Weidenbaum

Whether Napoleon really said it or not, the forecast attributed to him is likely to be essentially correct: "China is a sleeping giant. When it wakes, it will move the world." China's 1.2 billion people automatically make it a force, and its record-breaking 20 years of double-digit growth have recently made it a pace-setter in national development.

Depending on the statistical measurement used, China's economy is already either the third largest (just behind Japan) or number eight. When contrasted with the plodding 2-3 percent long-term growth the more mature economies have averaged, the "Middle Kingdom" has a good chance of becoming a dominant economic power during the opening decades of the twenty-first century.

China's arrival as a world power is reminiscent of the way the United States elbowed its way into the "club" of advanced nations in the middle of the nineteenth century. Europe's monopoly was broken with little chance of its ever being re-established. Though the European share of the international economy was never regained, nonetheless each member of the "club" enjoyed a substantial expansion in its absolute levels of income, production, and trade.

More recently, Japan went through a similar experience. We can still recall the difficult adjustments on the part of many industries, companies, and workers in Europe and North America in response to the transformation of Japan into an Asian powerhouse. Yet again, the resulting increased competition raised economic standards all across the globe. China's debut is likely to follow a similar pattern.

There is no assurance that the current upward trend in China will endure. Straight-line extrapolations are fraught with risk. The recent experiences of the Southeast Asian nations—most of whom had two decades of 6-8 percent annual growth—provide cases in point. And China has a history of self-inflicted woundings, most recently Mao Zedong's Great Leap Forward (which only succeeded in depressing Chinese living standards) and his Cultural Revolution (which almost destroyed a generation of intellectual leadership).

There are festering problems that could darken China's economic outlook. Limitations of energy quickly come to mind. The western part of the country contains vast reserves of petroleum, but China's ability to develop those reserves is woefully inadequate. Western corporations could solve that problem, but they are not being embraced because of a reluctance among the national leadership to see them reap financial benefits in the process. So instead of following the Arab path to great oil wealth via collaboration with foreign companies, China will instead rely heavily on coal, becoming the world's largest source of air pollution in the process.

Other potential stumbling blocks include China's poor roads and infrastructure, her inefficient large state-owned enterprises, her tradition of favoritism and bribery unchecked by a modern legal system, possible social instability from the estimated 100 million rural people roaming around the major cities looking for work, and bureaucratic resistance to change.

Overall, though, China's economy seems likely to continue with its existing forward momentum. While Korea and other adherents of the Japanese model of Asian development have been suffering huge financial losses, China has been more closely following the Singapore approach of giving entrepreneurs substantial discretion in business decision making, while closely controlling personal liberties. The result has been much less trauma in the current Asian turmoil.

And there is a special reason to believe in future Chinese economic leadership: the unique economic power of the ethnic Chinese who are dispersed across Asia. Members of that "bamboo network," many of whom fled the mainland in 1949 when the Communists gained control, have been a major factor in the swift development of the Southeast Asian economies. Their large, family-run enterprises now dominate the business sectors of Malaysia, Indonesia, Thailand, the Philippines, Singapore, and Taiwan. And they have recently invested heavily in their ancestral homeland, becoming by far China's largest source of "foreign" capital.

And "bamboo network" entrepreneurs invest more than money. Their special contribution to ventures in the People's Republic has been the entrepreneurial and managerial effectiveness they lend to such efforts. This has been a vital factor in China's recent economic surge, complementing well the nation's underutilized natural resources and huge but raw labor force. And the combined strengths of overseas and mainland Chinese are likely to tell as China emerges as a vibrant world power keenly influencing the course of the twenty-first century.

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to the land because they owned the land. They could go back to the villages. But the Chinese had no choice except in business."

Their success brought problems that haunt relations with their indigenous neighbors to this day. The Chinese in Malaysia, whom one British official described as "indefatigable in the pursuit of money," became so entrenched that they seemed to force the native people into the economic background. With Chinese incomes twice those of the average Malay, and their control of corporate assets at least six times greater, today's Malaysian Prime Minister Dr. Mahatir bin Mohammed has openly espoused policies to fight "the menace of Chinese economic hegemony."

When Rama VI, king of Siam, first labeled the Chinese "the Jews of the East" back in 1914, it was not meant as a testament to their intelligence or industry, but to point out their less positive "Jewish" characteristics, such as over-competitiveness, greed, and double-dealing. The Chinese, the king lamented, "lived like rats" and ate "food not fit for human consumption" in order to undercut their competitors.

Worse, Rama and others complained, even if the Chinese became naturalized citizens, they remained loyal only to themselves and their native land. They were thus willing to cooperate with European colonialists or anyone else, no matter how unsavory, who promised them economic gain. As one Asian proverb put it, "The Chinese do not care who holds the cow so long as they milk it."

In addition to opportunism, the Chinese were also attacked, again much like the Jews, for their clannishness. In virtually every country of settlement, from the wilds of Borneo to the burgeoning commercial port of Singapore, Chinese schools sought above all to ensure the next generation would not forget their origins and Confucian ideals. The goal has been to shape good Chinese first, good citizens of the land of settlement second. For example, in the late '80s, Singapore and Thailand—where assimilationist tendencies had previously been most marked—saw a resurgence in traditional Chinese culture and the growing sense of racial "manifest destiny" I observed at the Paris celebration last year.

EVER SINCE THE DISCOVERY OF GOLD in California in the 1840s, the United States has held a particular fascination for the Chinese. Here lay a vast, resource-rich country (they called it "Gold Mountain") that by Chinese standards was underpopulated and underdeveloped. The Chinese swarmed into California, increasing their numbers from 1,000 in 1850 to 25,000 two years later and accounting for one-tenth of the state's non-native population. Most came as semi-slaves, selling their labor through subcontractors to large Chinese mining interests.

For nearly a century, the political climate for the Chinese in America was anything but inviting. As early as 1854, Chinese were barred from giving testimony against whites in California, and four years later the legislature tried to ban Asian immigration into the state, a measure later deemed unconstitutional. By the 1880s, the Chinese had lost most of their constitutional rights in California and were routinely harassed and occasionally killed in western states. Often forced from the mining towns into the fields, Chinese became half of California's rural labor force by the 1880s, while tens of thousands of other Chinese went to work building the railways.

Despite the back-breaking work and rampant discrimination, the Chinese managed to develop economic niches. As early as the 1870s, they had created a series of flourishing fishing villages, agricultural settlements, and trading businesses. Even as the community began to shrink after an 1882 ban on Chinese immigration, they established permanent ethnic enclaves in San Francisco, Sacramento, Seattle, and Los Angeles.

World War II, when China was America's primary Asian ally, engendered a change of attitude in the U.S. Pressured to relax restrictions on Chinese immigration, Congress repealed the Chinese Exclusion Act in 1943, ending restrictions on land-ownership a decade later and in 1965 scrapping racial-based immigration quotas. Once again the Chinese were able to immigrate in large numbers.

Like the previous wave of immigration, this one was largely motivated by economic opportunity. But two other factors became increasingly relevant: the desire for a first-class education and growing anxiety over the Communist takeover on the mainland, which forced many of China's most prominent citizens to move. Most went initially to Hong Kong and Taiwan, where they faced overcrowding and, often, poverty. For upper-class Chinese like the Ko family, America became the way out: "We went from one extreme to another. We had six kids, with nannies, with everything. We saw our parents once a week. Then we had nothing," recalls Denny Ko, who now runs a successful aerospace consulting business from Torrance, a heavily Asian suburb of Los Angeles. "Mother took it worst of all that we lived at a minimum standard. We had seven people to a room. It was very primitive, and Mother didn't even know how to boil water; she couldn't make tea."

Even as non-Communist East Asia began its economic ascent, many Chinese continued to migrate here. Some came for a better quality of life—crowded, smoggy Taipei can make the least appealing parts of New York or Los Angeles seem paradisiacal. Others were lured by the opportunities for education. Indeed, the Confucian emphasis on learning has benefitted the Chinese much as the Talmudic tradition aided the European Jews, spurring academic achievement.

By the end of the 1980s the number of Chinese-speaking college students in the United States was about 90,000, easily the largest number of any foreign ethnic group. The Taiwanese alone accounted for roughly one in every four candidates for doctorates in electrical engineering.

Another non-economic factor driving immigration and investment to America, especially from Taiwan and Hong Kong, is mainland China's assumption of sovereignty over the old British colony and its strident declarations of jurisdiction over Taiwan. After the People's Republic fired missiles at Taiwan last winter, nearly $200 million worth of deposits suddenly showed up in the accounts of Los Angeles-based General Bank, recalls president Li Pei Wu. Other Chinese banks across the country experienced similar up-ticks. "This is the safe haven in case they have to escape," observes Henry Hwang, whose Los Angeles-based Far East National Bank was recently purchased by Taipei's

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Bank Sino-pac. "America is seen as still number one, the most prosperous and stable place. The opportunities are still here."

Nor does this process seem to be slowing down. Indonesia's Chinese—3 percent of the population who control 110 of that country's 140 leading business conglomerates—have been watching in horror as rioting and anti-Chinese pogroms have broken out in the streets. The rise of populist and Islamic sentiment, appealing to the traditionally anti-Chinese majority, has sent shock waves through a Chinese community which remembers all too well the bloody attacks that accompanied the archipelago's last political upheaval 30 years ago.

Economic forces, especially a slowdown in growth, are also leading some Chinese capitalists to shift investments to America. Thailand's once-soaring economic growth has now fallen to nearly half 1995 levels, and the country's stock market has declined nearly 50 percent since January as interest rates have leaped as high as 20 percent.

These problems are spreading to mainland China. New investment there is falling for the first time in a decade, from $42 billion last year to something closer to $30 billion this year. A recent *Economist* survey of multinational investors in China found more than half are disappointed with doing business in a "socialist market economy" controlled by an increasingly corrupt and arbitrary Communist party.

These Asia-bred factors, as well as a buoyant U.S. economy, have made buying American banks, hotels, factories, in-

Our China Problem

By Patrick J. Buchanan

In his new book The Great Betrayal, *political commentator Pat Buchanan portrays mainland China as America's most threatening global rival. An extract:*

China is fast becoming America's number-one trade problem. In its drive for dominance in Asia, Beijing has exploited slave labor, consumed all the Western credit it could extort, stolen U.S. intellectual property, and strong-armed American companies like Boeing and McDonnell Douglas to manufacture in China as the price of a deal. "Forced technology transfers" are a routine demand in dealing with China. "When you invest in China," says one auto company executive, "China assumes it owns all of your intellectual property." The Manufacturing Policy Project puts the piracy rate of U.S. intellectual property in China at 98 percent. "Three days after Microsoft introduced Windows 95 in the United States for $89.95, copies were available throughout Asia for $4 or less."

Following the path to power laid out by Friedrich List, China treats the United States, the world's most advanced nation, like a colony, a source of raw materials and a dumping ground for manufactures. While China runs a trade surplus in manufactures with the United States of more than $35 billion yearly, prominent among U.S. exports to China are fertilizers, food residue and waste, ore slag and ash, wood pulp, animal and vegetable fats, meats, live animals, and cereals—the technology for which was given a while ago by Squanto to the Pilgrims. The one high-tech export for which America runs a large trade surplus is aircraft; but once China masters the U.S. technology it has extorted, Beijing will begin building its own planes. For that is the way of economic nationalists.

From 1991 through 1996, China piled up $157 billion in surpluses trading with the United States. Its 1996 surplus of $40 billion was almost as large as the Pentagon procurement budget. In October 1996 China invested $11.8 billion of its surplus in U.S. bonds, making China the third-largest buyer of U.S. debt, after Japan and Britain. By September 1997 China had amassed more than $130 billion in foreign currency reserves, the world's largest hoard after Japan.

For a century Americans have been transfixed by the great "China market"; it was one of the reasons business groups urged President McKinley to annex the Philippines. But the China market proved a mirage then, and it is a mirage now, a corporate illusion. If China vanished, the U.S. economy would not feel a breeze. Our sales to China in 1996 ($11.9 billion) were one-fifth of 1 percent of U.S. GDP. We sold more to Singapore. But China's sales to the United States—$52 billion worth of toys, textiles, shoes, bikes, computers, etc., in 1996—were a crucial share of its entire economy and were the primary source of China's hard-currency reserves.

America has the whip hand in this relationship, and it is time we used it. For China is not only a trade problem, it is a national-security problem. China is using the hard currency from its U.S. trade surpluses and international bank loans to buy submarines, destroyers, anti-ship missiles, and fighter aircraft from Russia and to build long-range missiles to reach the west coast of the United States. Yet, America permits China to launch U.S. satellites on Long March rockets, thus subsidizing the development of the Chinese strategic missile force.

America is taking a terrible risk feeding a regime the character of which may be seen in its treatment of dissidents, Tibetans, Christians, and women pregnant with any child conceived in violation of China's barbaric one-couple, one-child policy. While America should seek no confrontation with China, we should treat Beijing as the great power it has become.

We cannot practice true free trade with a nation that has no independent judiciary, where labor is conscripted, corruption is endemic, U.S. goods face a 17 percent value-added tax and a 23 percent tariff, and many of whose corporations are government fronts. The United States should cancel China's most-favored-nation status and negotiate a reciprocal trade agreement that recognizes our different societies and conflicting interests.

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dustrial parks, and high-rise towers all the more appealing. According to the accounting firm Kenneth Leventhal, from 1994 to '95, real estate investment into the United States from Chinese-dominated Asia increased by over 40 percent, while investment from virtually all other foreign sources, including Japan, was either unchanged or decreasing.

Chinese entrepreneurs have also stepped up their banking activity. Since 1986, the assets of Chinese-owned banks in California alone have soared from barely $3 billion to almost $10 billion. Jack Rodman, who supervises Leventhal's Asian investment survey, thinks these numbers represent only a fraction of the diaspora activity, most of which operates through hard-to-track family enterprises.

These new investments have brought in their wake a new group of citizens. As many as 90 percent of Chinese immigrants come not simply to make money but to find a permanent home, contends Marty Shih, who tracks Chinese-American opinion at his Asian American Survey Center. U.S. Census studies recently confirmed that three-quarters of recent Chinese immigrants are seeking to naturalize as soon as possible. "Most people will remain here if they can," says Shih, himself a Chinese immigrant. "The environment is better here, and deep down, everyone is really worried about China."

IN THE NEXT DECADE, this immigrant Chinese community will greatly increase the intimacy between China, the diaspora, and the United States. With a quarter-million students attending American universities since the mid-1980s, the Chinese have already achieved high positions inside America's top academic, high-tech, and scientific institutions.

The Chinese come to America with a unique cultural inheritance developed over millennia and deeply impressed on younger generations. But in contrast to the Jews, who base their identity largely on their unique religious and historical experience as a wandering people, the Chinese inspiration stems from the enormous material accomplishments of what is arguably the world's greatest imperial tradition. For China is not merely a country like France, Germany, or Britain. It is also a civilization that confidently refers to itself as "The Middle Kingdom," meaning the center of the world. Unlike many non-Europeans, the Chinese do not see themselves as newcomers to the world stage but as inheritors of the largest, most powerful civilization on earth.

This common memory unites the Chinese, and their world has been further animated by a broad network of intimate social relations, linked by an intricate web of *guanxi,* or "relationships," that connect various families. Like the Jews in their dispersion or the Calvinist entrepreneurs of nineteenth-century Britain and America, the Chinese rely heavily on networks of friends, relatives, and business associates who provide capital and other assistance for entrepreneurial ventures—even under the harshest economic conditions.

This social network, expanded over the sprawling Chinese-based economies that stretch from Shanghai to Queens, provides an extraordinary degree of flexibility that almost guarantees survival, even if Southeast Asia's economic downturn continues for several years. In this system of "utilitarian familism," as author Siu-kau Lau calls it, concern for the family and its long-term assets, not company or country, is the first priority. In one 1980 survey, for example, Hong Kong Chinese ranked their families as more important than society by a margin of better than five to one.

Yet these cross-national ties also bring great risks, as seen in families like the Riadys of Indonesia. Their ambition to serve as intermediaries between America and the growing economic might of China has resulted in a widening series of scandals tied to Clinton-Gore campaign contributions. The ambivalence of the family's position in advancing Chinese interests has raised questions of "divided loyalties" and even charges of possible treason. Chinese tradition puts "great importance on personal relationships, and there is a tendency to mix that up with public policy," notes Vincent Diau, former city editor of the Los Angeles-based *Chinese Daily News.* "*Guanxi* dominates everything in Taiwan, China, here."

In part, Diau believes the scandals reflect the danger of transferring *guanxi* culture—where "gift-giving" and open bribery are a way of life—into an inhospitable, more legalistic American setting. Los Angeles banker Henry Hwang agrees. "There's an old Chinese saying that if you have money you could buy God," he observes. "Back in Shanghai, my dad would burn money in front of the idol and hope that would influence the powers above us." Hwang says he met many non-citizens at one Clinton fundraiser who could not legally give money to an American presidential candidate. But these Chinese thought paying money to Clinton was no different from giving "gifts" to Indonesia's President Suharto or a corrupt Thai general.

This, Hwang suggests, does much to explain the particularly active role played by the Riadys' Jakarta-based Lippo Group and its longtime political point man, John Huang, in the Clinton scandals. "The Indonesian Chinese are particularly sensitive," he observes. "In Indonesia, the only way they can grow is to make political ties. If not, they are dead. The Chinese are hated in these countries, and they know if things go wrong, they'll get killed."

Yet whatever happens in the coming months, neither the significance of America's human link to China nor the economic ascendancy of the Chinese across the globe is likely to diminish over the long term. Some Americans may infer from these scandals and Asia's current recession that the Chinese are an ebbing power in the world economy. But that assumption could prove costly, even fatal, given the powerful cultural and economic forces surging in the Pacific Basin.

No matter what the America-celebrators may hope, the Chinese Century will not be shelved. California banker Chris Leu speaks for many when he insists that the current setbacks will actually help by forcing his counterparts to put away the champagne glasses and go back to work. "I think this will end up as a temporary situation," says Leu, as he rises to go pick up his kids from Chinese school. "This is a good lesson, but ultimately it will only make us more efficient. There are still 1.3 billion people out there who want to change and thrive—and that will not be stopped by one crisis."

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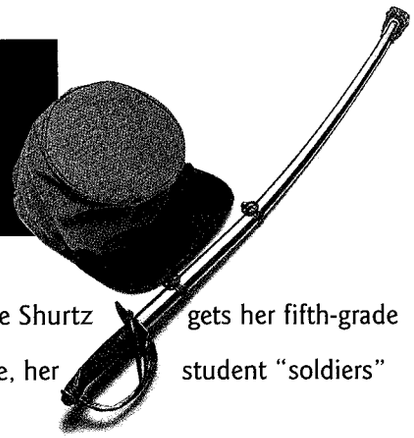
Fighting in class? Mrs. Shurtz insists on it.



Recreating Pickett's Charge is just one of the innovative ways Jane Shurtz gets her fifth-grade social studies class into the spirit of American History. After the battle, her student "soldiers" write letters home describing what it's like to fight in the Civil War.

Mrs. Shurtz takes a very different approach when it comes to the Colonial period. She taxes student essentials like pencils and shoelaces so her class can understand the frustration the colonists must have felt.

The culmination of the year is The 20th Century Project. Students gather oral histories from family members and bring in heirlooms for class discussion. This project helps students feel more personally connected to this century's major events such as immigration, fighting in a World War, and living through an economic depression because they learned from those who experienced them first hand.

For showing that you can't change history but you *can* change the way it's taught, State Farm is proud to present Jane Shurtz with our Good Neighbor Award and to donate $5,000 to her school, Gray Elementary, in Springfield, Missouri. Hopefully it can help defray battlefield expenses.

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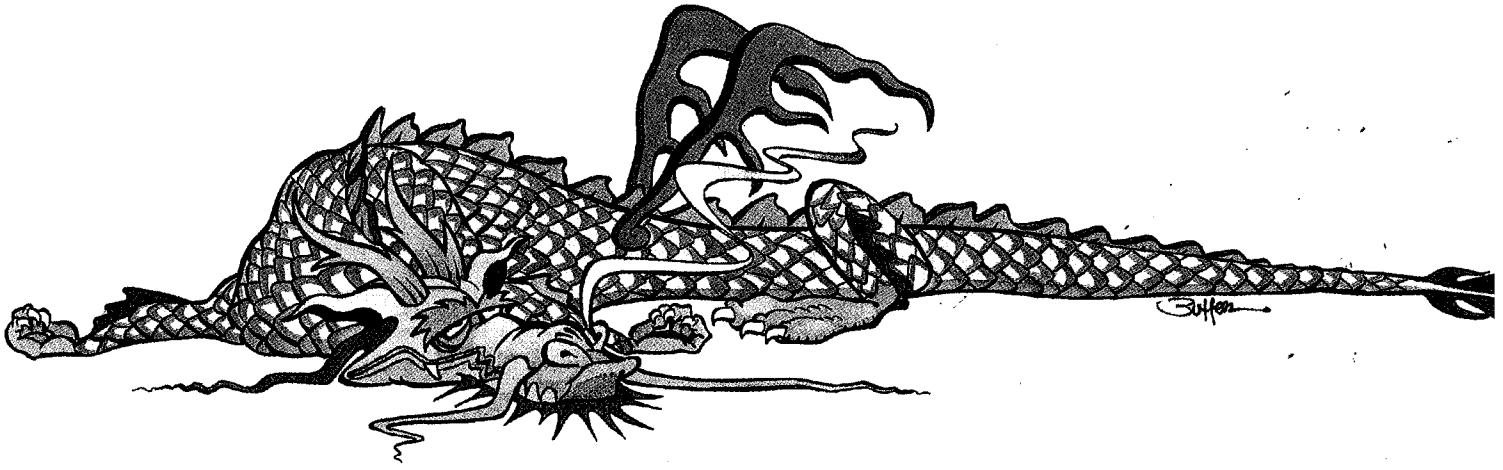

Dragon Droop

Why China's Economic Future may be less spectacular than you think.

By Mark A. Groombridge

The economic progress in China since the launching of its market-oriented reform program 20 years ago is remarkable. Now the world's seventh largest economy (bolstered by the return of Hong Kong), China has averaged 9.8 percent annual growth since the early 1980s.

Even with the "Asian Miracle" turning into the "Asian Meltdown," China is weathering the regional economic storm better than most of its neighbors (with the notable exception of Taiwan). While growth rates are zero in Japan and negative in South Korea, Thailand, Malaysia, and Indonesia, China continues to expand, if more slowly.

One big factor helping insulate China from today's Asian crisis, however, is a negative one. Beijing's heavy controls on capital insulate the country from the currency attacks and investment flight experienced by freer economies. But this short-term advantage produces serious long-term costs. Being disconnected from financial market signals and pressures means serious weaknesses in China's economy are masked, and solutions deferred.

The important question is whether China is learning from the troubles of other Asian nations so it can adopt the right economic order to propel its economy into superpower status in the twenty-first century. And so far the answer to that question is mostly "no."

Despite having the opportunity to observe her neighbors' errors, China is following much the same industrial path trod by several other Asian nations to their sorrow. Specifically, China is copying too much of the "Asia Inc." model made popular by Japan and South Korea.

The guiding theme in these countries was a strong role for government in the affairs of business. Their bureaucrats tried to "pick winners" by giving subsidies to select firms in the form of preferential tax, tariff, or loan policies, or sometimes direct cash payments. "The allocation of subsidies has rendered the government not merely a banker…but an entrepreneur, using the subsidy to decide what, when, and how much to produce," summarizes Alice Amsden of MIT, a booster of Asian-style industrial policy in the years before it collapsed. In return, Amsden asserts, "the state exacts certain performance stands from firms."

So the theory goes. The reality proved less attractive. In substituting political judgments for market signals, the Asia Inc. model fostered misinvestment, unbalanced production, and ultimately overcapacity. Because the government finaglings usually took place out of the public eye, the system's accumulating problems were not widely appreciated for many years. But eventually the bubble burst on government-industry "crony capitalism."

Unfortunately, China is now attempting to "pick winners" by targeting subsidies to roughly 1,000 or so state-owned super-conglomerates. The official line of the Chinese leadership is that forcing mergers of "inferior enterprises with superior ones" is "an effective way to improve efficiency and erase the number of enterprises suffering a deficit for years running." Chinese Premier Zhu Rongji asserts that "the mergers will allow the injection of enough funds into these unprofitable state-owned enterprises to revive them."

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Illustration by Ralph Butler

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That might be so if markets were determining the nature of these restructurings (including the killing off of unproductive firms). But it is more often the clumsy hand of the Chinese state that makes the decisions. The "government plays a big role in these mergers" notes one Chinese professor. "Government is destined to act as the driving force in mergers and acquisitions," brags a state official. Not surprisingly, managers of the few solvent state-owned enterprises are unhappy. The president of newly formed petrochemical conglomerate complained that "he did not have enough freedom in the reorganization of the internal corporate structure, recruiting competent staff and laying off unqualified workers, or deciding how to relieve the group's debt burden."

Or take the case of the Sanqiang Textile Group in Shanghai. In the past three years it has been forced to absorb seven other less well-run state-owned firms, all of which were on the verge of bankruptcy. This meant taking on 9,000 superfluous workers and hiking the company's debt-to-asset ratio to 90 percent. "The seven companies have brought us 150 million yuan in losses and 350 million yuan in debts," complained one manager.

Even private firms listed on China's fledgling stock exchanges are being forced by state officials to take on insolvent state-owned enterprises. The enormous costs of cleaning up the leftovers of Communism are thus being dumped onto shareholders and business managers. Worse, the seeds of socialist centralism and inefficiency are being replanted into China's next generation of firms.

CHINA'S BANKS ARE likewise suffering because they are being forced to forgive bad debts and even lend additional money to state-owned enterprises, regardless of profitability. As Yang Kaisheng, vice-president of the state-run Industrial and Commercial Bank of China, acknowledges: "Supporting large state-enterprises is not only our bank's duty, but also a key strategy for our expansion." The Chinese government completes this vicious circle by throwing more public money at the banks to keep them afloat. When asked about a new proposal to inject more government funds into the banking system, one finance ministry official this March calmly noted that, "The banks belong to the government so it is natural that the government expands their capital."

What is the outcome of this cozy relationship between governments, banks, and industry? A mountain of bad debt. Officially, the governor of the People's Bank of China, Dai Xianglong, says that some 6 percent of bank loans are unrecoverable, close to 25 percent are non-performing, and loans more than two years overdue amount to 10 percent of total bank lending. Economists around the world believe the problem is actually much worse than that. While China claims that bad loans total some 20 percent of gross domestic product (compared with 8 percent in Japan and South Korea), Merrill Lynch puts the number closer to 40 percent.

So far, China's banks are keeping their heads above water thanks to the extremely high personal savings rates of China's citizens. The average worker puts nearly 40 percent of his take-home pay in the bank, and these individual savings provide the large bulk of the financial assets of China's banks. One deflationary panic or other bank run, however, could crimp this easy flow of cheap capital.

China's foreign debt is much more under control. Officially, the country owes foreigners $152 billion at present, or 17 percent of GDP (compared to 56 percent in Indonesia and 30 percent in South Korea). Some bankers in Hong Kong estimate that China's foreign debt could actually be some $50 billion higher, if shell borrowings made through Hong Kong subsidiaries of Chinese firms were properly accounted for.

In any case, given China's healthy foreign exchange reserves of $140 billion at the close of 1997 there is little fear that China will default on its overseas debts any time soon. Problems may lurk below the surface, though, for a fundamental problem throughout China's financial sector is a lack of openness and transparency. As a recent World Bank report concludes, China's "accounting, risk-management, and credit-analysis are woefully inadequate."

CHINA'S LEADERS HAVE announced that they intend to keep economic growth high by stimulating domestic demand. Recently, plans were announced to push $1 trillion of public funds into new investment over the next three years. But there are reasons to doubt whether that much investment can be intelligently directed by national officials. As in much of Asia, China is afflicted in critical areas by industrial overcapacity and overinvestment. This was caused by political force-feeding of "strategic" industries, and a lack of financial discipline and profitability-testing by governments, banks, and industry.

Thanks to today's sea of overcapacity, it is now common to see Chinese newspaper headlines warning that "Price Wars Threaten." Price cuts are sweeping sales of cars, personal computers, and consumer appliances, as newly geared-up manufacturers and retailers fight to maintain market share. One retailer in Shanghai characterizes today's price wars as a "suicide policy because there are almost no profits." Dangerous downward pressures on prices are also present in sectors like the overbuilt commercial real estate markets of Shanghai and Beijing.

Government efforts to stimulate domestic demand are also complicating efforts to clean up the inefficiencies in state-owned enterprises and banks. The stimulative spending is inevitably funnelled through state lending institutions to state-owned companies. And this only serves to delay the long-term restructurings needed at these lumbering and money-losing entities.

China's leaders are not blind to these problems, but

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STILL SOCIALIST

Major industries in which state-owned enterprises account for at least half of all Chinese production:

Food processing	Specialized machinery
Beverages	Chemicals
Nonferrous metals	Pharmaceuticals
Transportation machinery	Nonferrous mining
Ferrous metals	Gas utilities
Electric power	Coal
Logging	Water supply
Refining and coking	Tobacco
Petroleum	

Source: 1996 China Statistical Yearbook.

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China's Foolish Miracle

By P.J. O'Rourke

The Chinese economy has grown amazingly over the past two decades. But what, exactly, has been growing?

I was in Shanghai last June to attend an academic conference on free-trade. (The Chinese think other countries should have it.) One of the economics professors at the Chinese university sponsoring the conference took us on a bus tour of Pudong—the "New Area" being built just across the Hangpu River from Shanghai. Pudong is a mixed-use development meant to contain industrial, commercial, and residential zones. The Chinese government and overseas investors have spent more than $30 billion on Pudong's new buildings and infrastructure.

We traveled from downtown Shanghai through a homemade-looking tunnel and arrived in a flat, planned sterility of immense dimensions—the office park as Nebraska. Here and there the landscape was decorated with blandly abstract corporate art.

The professor seemed to be a reasonable fellow. He didn't actually criticize Pudong, but he winced as he explained it. He pointed to ranks of new condominiums, spartan-looking with their plexiglass-screened sunrooms and window-mounted air conditioners. He said that these sold for 100,00 to 200,000 U.S. dollars. Or rather, didn't sell. Almost all the units were vacant. "Why are these buildings empty?" The professor: "Overbuilding and overpriced."

Multinational logos were visible in every direction. Impressive edifices bore the names of Hewlett-Packard, Siemens, Sharp, Coca-Cola, SmithKline Beecham, Hoffman-La Roche, and Sony. There was just one thing wrong with this business district—no business. Nobody seemed to be there. In the middle of a Tuesday afternoon, nothing was going on. We drove up and down empty streets along concrete fences decorated with those international cross-out silhouettes indicating prohibition of this or that: No spitting. No martial arts. No cutting trees. No firecrackers. No breaking the phone.

No breaking the phone? Running beside the roads were miles of conduits with tall arches of pipe at every intersection. These were the water and waste mains. Pudong has been built in a flood plain only a few feet above sea level, on ground too muddy to dig sewers in. This hasn't slowed construction: "The floor space of high rises in Pudong," said the professor, rolling his eyes slightly, "exceeds New York City." And there's already a severe real estate glut in Shanghai. Prices fell by 30 percent in the first half of 1997.

A free market is a natural evolution of liberty. But in China, there's a missing link. China doesn't have a Darwinian economy where enterprises can evolve and prosper according to their ability to survive and grow; China has a creationist economy where prosperity is bestowed by a higher power. Pudong "prospers" by the beneficence of force.

An article in the *Asian Wall Street Journal* last year said this of the government officials in charge of Pudong: "Harking back to their authoritarian instincts...they are deploying every tactic to fill the cavernous neighborhoods they're building." The article went on to detail how foreign banks are told that they must have headquarters in Pudong if they wish to do business in Chinese currency, and how the International School has been forced to move to Pudong to lure expatriate families into the empty apartment houses.

The Chinese Communists are attempting to build capitalism from the top down, as if the ancient Egyptians had constructed the pyramid of Khufu by saying, "Thutnefer, you hold up this two-ton pointy piece while the rest of the slaves go get a couple million blocks of stone."

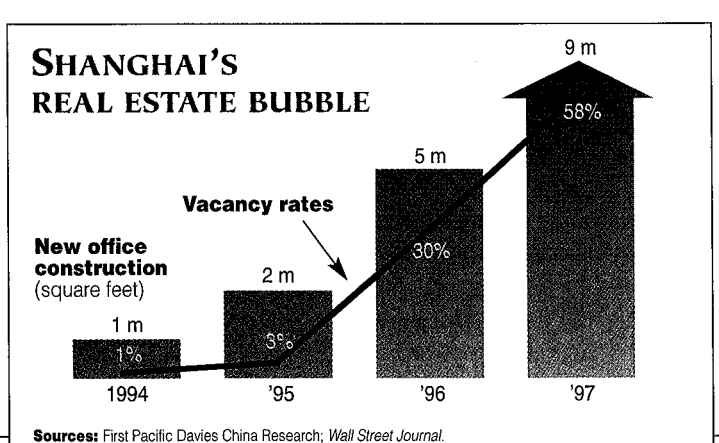
A few months after I took my tour of Pudong, the famous economic crisis developed in Asia. And I had been staring out my bus window right at the cause of it. (Not that I knew it then, of course, or I'd be endowing *The American Enterprise* instead of writing for it.)

Pudong-like nonsense had been going on all over the continent. Instead of money being invested where it could make as much more money as possible, money was invested in strange, showy stuff—thanks to "national industrial policies," corruption, misplaced local pride, and foolish political reasoning. From Thailand to Japan, bad credit was extended, bad equities were sold, and bad ventures were subsidized—all in hope that success could be gained by some method other than succeeding.

Since Pudong is the worst example of this type of misallocation of capital, the business failures should have started in China. But China has no floating currency to sink, or securities market free to go into free-fall. And the ordinary people of China live in desperate poverty every day of their lives; so when an economic downturn comes they live in—desperate poverty.

Thus China fools us. What has grown fastest in China is not the economy but the credulity of international corporations willing to invest there. Corporations are seduced by the idea of 1.3 billion Chinese customers. Management is fascinated, mesmerized. I worry that, even as I write this, the board of directors at Boeing is sitting around saying, "One-point-three billion! Why, if just one-half of 1 percent of those people bought a 777...."

P. J. O'Rourke is foreign affairs correspondent for Rolling Stone.



Sources: First Pacific Davies China Research; *Wall Street Journal.*

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Why China Won't Become a Superpower Anytime Soon

By Christopher Lingle

Despite numerous deficiencies apparent in its current economy, many observers are unrealistically bullish on China's prospects. This *Sinophoria* is built on wishful thinking about the country's economic potential, as well as assumptions that China's recent boom will continue unabated. Very soon, however, China's growth may begin to unravel.

Indeed, China is not even now what some have claimed. After years of meekly re-publishing economic data submitted by Beijing, the World Bank is now looking more closely at China's economic indicators. Although there is no doubt that China has made progress, new estimates suggest that about 30 percent of the population is still living in dire poverty, and that per capita GDP is actually around $1,800 instead of $2,500. Even with its vastly larger population, it will be at least three more decades (instead of earlier estimates of about 11 years) before China's economy becomes larger in aggregate than America's—even if no unexpected bumps in the road materialize.

And they probably will. Sustainable growth requires some basic institutional arrangements that are not well formed in China. These include private property rights, protection of individual rights, and freedoms for full development of markets. Given China's Communist legacy, it shouldn't be surprising that there is fundamental misunderstanding within the country on the nature of markets, profits, and entrepreneurs. Although many mainland Chinese exhibit a great affinity with making money, the commercial culture lacks a commitment to mutual fulfillment of contractual obligations.

Some individual Chinese entrepreneurs understand the market, but most government leaders do not. Decades of central planning under Communism have habituated leaders to extensive state intervention in economic affairs. The senior leadership views a vibrant economy as merely a means to a greater political and social end: maintaining political stability in a fractious country. Ultimately, the internal inconsistencies of China's oxymoronic "market socialism" will carry economic penalties.

There are also many short-term obstacles to commerce in China, including heavy bureaucratic interference and a lack of protection under the rule of law. As in too many other countries in East Asia, commercial success now depends on political protection and connections. It would be bad enough if these impediments affected only foreign investors, but they also seriously inhibit home-grown entrepreneurs, the heart of any successful economy.

China is also threatened in the short run by overbuilding. In many of China's largest cities, as in other parts of Southeast Asia, real estate bubbles threaten to burst. At the same time, overheated investments in factories and infrastructure, especially in the Pearl River delta, have created enormous excess industrial capacity.

Amidst these obstacles to business success, China also has a dependent sector that rivals the European "welfare state" in terms of the drag it places on the economy: The country's state-owned enterprises. These make low-quality goods while providing cradle-to-grave services to their millions of employees. Of the nearly 300,000 state-owned enterprises, roughly 75 percent are effectively bankrupt and kept going only by loans from state banks.

Despite much rhetoric about reducing subsidies and forcing these socialized enterprises to sink or swim, there is never clear action, simply because the firms employ many workers whom the government is afraid to disturb. Already, one out of every 12 Chinese citizens is a migrant laborer, many of them unemployed, and 50 million or so new entrants join the labor force each year.

China's current political machinery is also coping weakly with signs of social instability like today's rising rates of crime and endemic corruption. As the Chinese Communist party fails to adapt to the strains of social change, it will gradually lose its mandate to rule.

Even more than other East Asian authoritarian regimes, the Chinese government doles out freedom to its citizens in arbitrary dribs and drabs. As interference from rigid political institutions blocks many of the self-adjusting mechanisms that keep free societies in balance, the country's capacity to grow at high rates in the future will be reduced. China's recent successes should therefore be viewed as short-run outcomes based on an opportunistic political agenda that will limit long-term growth.

In comparing China's current economic balance sheet to other Southeast Asian nations prior to July 1997, it looks like *déjà vu* all over again. The result may be worse in China, though, since its bubble will blow up in the face of over a billion people. Look out for the shock effects of China's "big bust" that could even begin as early as the end of 1998.

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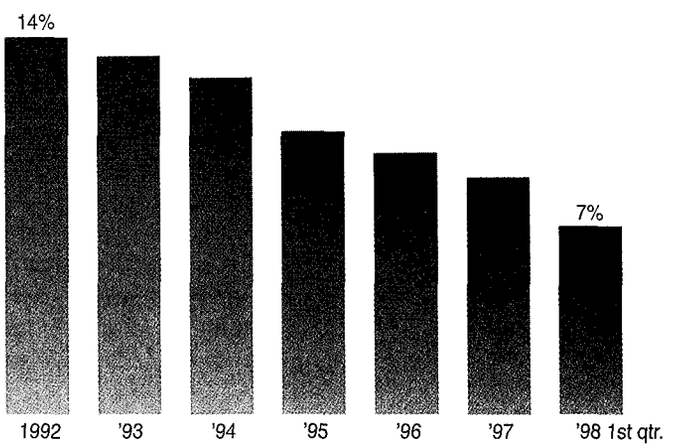
China's Slowing Economic Growth



Sources: State Statistical Bureau of China; *Wall Street Journal.*

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GROOMBRIDGE continued from page 35

they appear to lack the political courage to adopt the necessary reforms—which would entail privatizing state-owned assets. Beijing is terrified of any reforms that could result in unemployment and social unrest. Thus the determination of the ruling party to cling to its power clashes with the nation's long-term economic interests. While reforms are progressing slowly in some sectors, little headway is being made system-wide. Instead, explains one manager at a state-owned firm, "The big profitable firms are required to help the government to maintain social stability."

A DEBATE IS NOW TAKING PLACE concerning the cause of the current economic crisis in Asia. Figures like Henry Kissinger, Jeffrey Sachs of Harvard University, and World Bank economist Joseph Stiglitz argue that the collapse is best understood as a "panic"—largely irrational, and not linked to particular underlying economic weaknesses. In this line of reasoning, the financial problems in the region will fairly soon be cleared up, and Asia's upward trajectory will resume without lasting harm.

To some extent, it is true that Asian investors did panic. But it is also true that Asian governments laid the table for the collapse of confidence in the region by launching many risky projects more on their political merits than on economic grounds as adjudicated by markets. What was it that caused investors to grow alarmed in the first place? Yes, there were some idiosyncratic developments in international financial markets, but there will always be idiosyncratic developments and unexpected global gusts. A properly balanced economy will absorb these changes.

The major factor causing any investor to panic is fear of the unknown. And by moving many important economic decisions out of the public realm of open markets and pushing them instead into the back rooms of government ministries, Asian leaders set themselves up for a hard fall. Eventually, investors in Asia realized that they had been misled on important economic fundamentals and that they did not have the information or financial control they needed to protect themselves. So they fled.

Many Asian governments and banks worked hard to *prevent* light from being shed on their economic functionings. Would you want it known publicly that your industrial policies had created a situation where your nation's private companies had debt levels totalling 135 percent of GNP (as we learned South Korea's did)? South Korean authorities criticized the media for reporting unfavorable news, but it was not the media who made the bad news.

Sobered by its near-death experience, South Korea is now at last adopting some of the necessary reforms. As South Korean Na-

A LONG WAY TO GO

If and when China surpasses the U.S. economy in total output (and we think this is decades away), that output will be produced by a population five times greater than America's. Chinese workers will certainly have moved up the living-standard ladder—from the four cents they are paid today for every dollar an American worker earns, to about 20 cents on the American dollar.

Being the largest economy in the world will certainly give China enormous political and trading clout. It will also give China the resources to make the vast investments it needs in infrastructure and communications, as well as to pursue some higher-end economic activities in technology and advanced manufacturing. On average, however, China will remain a backward and inefficient economy well into the next century. China will expand its pockets of excellence (it already has some now), but will not easily become super-competitive in the high value-added businesses now dominated globally by American, Japanese, and European companies.

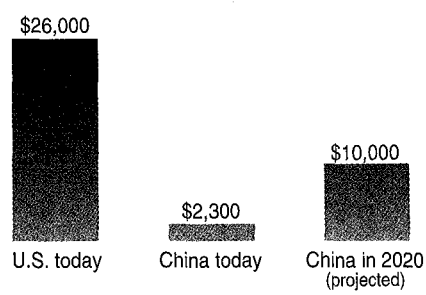
What's more, since China is not yet even close to embracing the knowledge economy, the gap between American living standards and China's may actually *widen.* Even given the ineluctable logic of compounding high growth rates, China, with its "brawn-based" economy, may be a long way from competing with the West across the board in the "brain-intensive" economy. And if China's underlying growth rates continue to slow as they have recently, the gap will widen further.

It is not our intention to dismiss China as an economic competitor. For example, many experts believe that dominance of the semiconductor memory chip business has already begun to migrate to China. The Chinese may replace the Koreans as the world leaders in this field over the next decade. (The Koreans, of course, dethroned the Japanese, and the Japanese took the business away from the Americans.) Similarly, in the course of building up a big domestic automobile industry, China may produce some successful low-cost export models that make it a major global force in that business. In fields from steel manufacture to cellular phones, the size and scale of the domestic Chinese market should enable Chinese companies (or joint-venture companies with foreign partners) to become world-class competitors. But this will happen only in selected industries and with certain kinds of globally traded products.

Even when China is "the world's biggest economy" 30-plus years from now, most of its economic activity will be taken up with feeding itself, building its own infrastructure, sourcing the energy to keep this huge machine running, and providing what will then be a billion and a half people with modestly improved housing and a modicum of consumer goods.

—Excerpted from Big Dragon: China's Future, *just published, by Daniel Burstein and Arne de Keijzer.*

CLOSER BUT NO CIGAR
(per capita GDP in 1994 dollars)



Source: World Bank.

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Will China Become a World Trade Beast?

The World Bank recently projected that if everything goes well for China over the next two decades, it will produce nearly 10 percent of the world's total exports in the the year 2020. That would put it ahead of Japan, but still behind North America and the European Union.

The Bank noted that China's emergence as a force in world trade "is often described as unprecedented." But is it? Actually not. The Bank economists note that over a similar period of years in the late-nineteenth century, the U.S. emerged to hold a 15 percent share of world exports. Then in the second half of the twentieth century, Japan followed a comparable path, peaking at about 10 percent of world exports in the early 1990s.

Projecting China's development over a like number of years, the Bank estimates that China will rise from about 3 percent of world exports today to around 10 percent 20 years from now—a course "no different" from what the U.S. and Japan followed. *—the editors*

tional Assembly member Lee Shin Bom recently said about U.S. assistance and leadership in their economic crisis: "In the past, we might have thought that it was economic colonialism. But now the question is how we can feed 45 million people in this country and 20 million in the North." To a striking degree, South Koreans, even some of the militant labor unions, have rallied around newly elected president Kim Dae-jung and communicated a willingness to accept the hard reforms their economic system needs.

China has not yet experienced such an epiphany. While acknowledging that tight links between government, industry, and banks foster corruption and inefficiency and should eventually be severed, Chinese strategists argue that the nation's leaders will be "clever enough to know when that moment has come," and that in the meantime having those power levers in government hands is very convenient. To get an insight into how little some Chinese have learned from recent events, and why this may darken China's future development path, one need only look to the state-run newspapers now editorializing that "by giving help, [the U.S.] is forcing East Asia into submission, promoting the American economic and political model and easing East Asia's threat to the American model."

China's leaders are ignoring the wake-up call ringing throughout their region. If the nation's controlling authorities continue to "pick winners" as they believe they can, the evidence is clear that they will ultimately only protect losers, to the detriment of their society. Are China's bureaucrats and business fixers any wiser or purer than those in South Korea and Japan? China's leaders already acknowledge they are fighting a "war" against corruption. Unless they take their hands off the economy and let decentralized markets replace government king-makers, they will find themselves trapped in a deepening problem.

If China's leaders stay their current course, all they'll do is turn their "crony Communism" into "crony capitalism." The Chinese should take a close look at the events currently unfolding around their region. It could be a sour glimpse of their future.

Two Visions of China in 2020

Impressive as China's strengths are, they do not guarantee success. The risks and challenges are strong and varied enough to threaten progress. International experience is littered with examples of economies that have enjoyed prolonged periods of rapid growth only to be followed by setback and stagnation.

Take the experiences of Brazil and Mexico. Both enjoyed rapid growth between 1950 and 1980, only to stagnate later. Their stagnation was triggered by external factors, but the vulnerability of these two economies, and their inability to adjust, pointed to internal failings that had been building for years. Governments in both countries:

- Followed strong import substitution policies that initially stimulated growth but eventually became a source of inefficiency and corruption
- Expanded public ownership in the economy at the cost of large fiscal deficits, heavy external debt, high inflation, and crippling bad debts within the banking system.
- Set key prices that exacerbated inequalities, increased regional disparities, and distorted production and consumption.

China's economic policies today bear passing resemblance to those that weakened the Brazilian and Mexican economies. Conceivably, China might become an East Asian victim of this same phenomenon. It could therefore take either of two very different forms by 2020.

If reforms slow or come to a standstill, Chinese growth would moderate as the cumulative costs of maintaining increasingly inefficient state enterprises undermine the budget and the banks, burden the rest of the economy, and reduce international competitiveness.

This path would lead to "Sinosclerosis," and much of China's promise would have faded by 2020. It would remain a low-income economy with a diminishing presence in world markets. Slow growth and increasing inequality would become a vicious circle, seriously challenging China's efforts to reduce poverty. Cities would become a tinderbox of tensions, with growing numbers of poor living in proximity to an increasing rich elite that manipulated the laws and economy to its benefit. Foreign investment would be deterred by the murkiness of China's trade, legal, and investment systems, and by growing instability. Frictions could arise with trading partners and increase the possibility of retaliatory action.

But there is another vision of China in 2020, and it quite different. This China would be engaged with the rest of the world as an equal and responsible partner in trade and finance, built on modern institutions and the rule of law. It would be a middle-income country with per capita incomes equal to those of Argentina, the Republic of Korea, and Portugal today, enjoying rapid and sustainable growth based on markets and private enterprise.

—Adapted by from the 1997 World Bank report China 2020.

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Peter Turnley/© Corbis

Why China Could Be Dangerous

By Arthur Waldron

THOSE INCLINED TO STRESS the many good things about China today must not forget the real ugliness of China's political fundamentals. As the Tiananmen Square massacre reminds, the Chinese regime still rests, ultimately, on force alone. Much genuine progress notwithstanding, China remains a police state controlled by a self-perpetuating communist dictatorship, a regime for which lawless coercion remains very much a fundamental tool of politics—not only domestically, but in foreign policy as well. Therefore China almost by definition poses a potential threat to her neighbors and to the U.S.

Whether that potential is realized will depend on many other factors, but its existence should not be doubted. The sort of genuine and multifaceted political comity now budding in post-Communist Europe will be impossible for Asia so long as China remains a dictatorship. Optimists about Asian peace point to the undoubted fact that China could not win a war against the U.S., or even against most of her neighbors. But that is not the issue. The question is whether China might mistakenly start such a war—the consequences of which would be incalculable.

THE DANGER CHINA POSES can best be understood by looking back to the first half of the twentieth century, when European states veered from crisis to crisis, and twice into catastrophic war. The same things that made Europe unstable then make Asia unstable now: domestic unrest, arms races, lack of strong alliances, and disagreements over territories. The sort of instability that led to unexpected war then can lead to unexpected war now.

Even as it takes small steps toward political openness, Beijing is building up its crowd-control troops—the People's Armed Police. When crisis comes, and some sort of seismic adjustment in China's regime seems inevitable, the appeal of a distracting foreign crisis with Japan, Taiwan, or the United States could be irresistible.

China is also building up its military with high-tech weapons that can threaten neighbors and the U.S., even as it pursues the most reasonable foreign policy in 50 years of Communist rule. Looking only at the positive developments in China, many observers now argue that no measures need be taken to assure military balance in Asia. But like their predecessors in Europe, they are unwittingly making conflict more likely.

Certainly America and her Asian friends should "engage" China, but only with our eyes open. For engagement and trade alone will not stop China's military actions against her neighbors, as the small but significant Chinese actions in recent years against Vietnam, Japan, the Philippines, Taiwan, and others make clear.

Remember, Europe was thoroughly interdependent economically as World War I approached, but that did not deter

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military threats in the region. Only countervailing military might can accomplish that.

Besides, we have no assurance that the current moderate Chinese foreign policy will continue. The Communist regime faces a fundamental crisis of legitimacy fairly soon. And while a post-Communist China is likely to prove a much better neighbor than the People's Republic has been, the transition could prove all too eventful.

Neither the United States nor China's immediate neighbors are eager to point these dangers out publicly. In fact, the Clinton administration has tried to bury a whole series of China-related security concerns. Call China a threat, the conventional wisdom goes, and you will make her into a threat. But it is hard to find historical evidence for such a proposition: Did England and France create a threat in the 1930s by worrying out loud about German armament?

CHINA'S TERRITORIAL CLAIMS would likely lead to regional war if they were consistently enforced. The best-known case is Taiwan, which Beijing claims in its constitution as "a province of the People's Republic of China." Short of war, it is hard to imagine how this claim could become a reality. Rather than compromise and treat Taiwan as a valuable neighbor, or even part of some Great Chinese confederation, the People's Republic has repeatedly threatened the island. And China is now making substantial improvements in its ability to threaten both Taiwan and any U.S. force that might be sent to assist it.

Taiwan is only one of a host of potentially dangerous territorial claims that China is unwilling to compromise. Look at any map officially published in China and off of southeast Asia you will see that most of the South China Sea, containing the myriad of small reefs and islets called the Spratlys, is enclosed by a line marking China's territorial limits. If taken seriously, this claim would mean that, far from being a distant presence, China is a close neighbor for Malaysia, Indonesia, and the Philippines. Similar claims are made to the Senkaku Islands held by Japan.

What these claims mean in practice is now hotly debated by students of international relations. Many observers don't find them worrying. But the countries involved wonder why, if the claims are only "symbolic," they are so sharply drawn on the map, and why rather than moderating or abandoning them, China regularly underlines them, by word and deed?

I believe domestic politics drives these assertions. Mention Taiwan and Chinese officials will quickly tell you that they have to bring Taipei to heel because otherwise the provinces of Tibet and Xinjiang will want more freedom. Democracy and freedom on China's borders, in short, threaten dictatorship within them. A regime will not be feared at home if it is not feared abroad.

But whatever its origins, this irredentist nationalism that so worries its neighbors seems well-entrenched in Chinese policy. So the question arises, Is China laying down markers now for action later? The trend of Chinese military modernization suggests so.

CHINA'S MILITARY CERTAINLY NEEDED modernization. It had grown increasingly obsolete in the decades that followed the brief but intense period of cooperation with the Soviet Union in the 1950s, when most of China's defense industrial complex was created. Numerically unsurpassed anywhere, the People's Liberation Army was in danger of becoming a vast museum of '50s technology in all but a few fields. The exceptions were nuclear weapons and missiles, in which China had managed to develop its own capacity for modernization.

To plug the gaps in its battle readiness, Beijing began acquiring weapons and technologies from abroad in the 1990s. The former Soviet Union proved willing to sell almost anything—nuclear weapon technologies, missiles and missile guidance systems, aircraft engines, and so forth. Israel, evidently op-

STILL AN OUTLAW

Last October, Chinese President Jiang Zemin and President Clinton met in Washington, and Jiang promised that China would curb its long efforts to spread the proliferation of nuclear weapons and delivery systems to gangster states inimical to the United States. In particular, Jiang promised to stop aiding Iran's effort to build the bomb. That promise already has been broken, and the Clinton administration knows this and has tried to hide and deny it.

According to a March report in the *Washington Post*, the National Security Agency intercepted—in the same month that Clinton certified China's nuclear compliance to Congress—at least two communications between an Iranian official and Chinese officials, which showed that China was negotiating to sell to Iran hundreds of tons of anhydrous hydrogen fluoride, a material necessary to enrich uranium to weapons grade. The material was to be transferred from China's state-run China Nuclear Energy Industry Corp. to the Isfahan Nuclear Research Center, the heart of Iran's nuclear weapons program.

An administration more trammeled by reality might have informed Congress that the Jan. 12 non-proliferation certification was null and void, and might have abandoned plans to rush China into additional nuclear non-proliferation accords. This administration, the *Post* reports, sought to "prevent public disclosure" until forced out into the open by questioning in closed House and Senate hearings on Feb. 4 and March 12.

And the denial continues. The White House's current incredible position is that China's violation of the Jiang-Clinton deal is a reason to push forward with more deals. The rationale? When national security adviser Samuel R. Berger confronted China in the first week of February (as the congressional hearings were about to blow the lid), China, after some squirming, agreed to cancel the sale of anhydrous hydrogen fluoride to Iran—agreed not to do what it had promised not to do in the first place.

"The Chinese followed through on it and kept their agreement to the letter," the president assured reporters. "I am well pleased, actually, with the way that issue came out." No doubt.

—*Michael Kelly in the* Washington Post, *March 26, 1998.*

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erating on the basis of secret and limited American approval given by the Carter administration, has taken a lead role in developing Chinese military aircraft. American companies have sold missile technology. The list of Chinese acquisitions is so formidable that one knowledgeable administration official has characterized American indifference to the buildup as perhaps this administration's biggest national security error.

Still, although the quality of Chinese weaponry has steadily improved, the speed with which the Chinese military industry is being modernized must not be overestimated. Even with overt and covert foreign assistance, huge problems remain in aircraft manufacture, ship design and propulsion, and other areas—not to mention in the training and logistics support which alone make equipment effective.

This slowness in China's military modernization, regularly invoked by those who downplay the Chinese threat, would be far more reassuring if we could be confident that China will refrain from military action until she reaches a high level of capability—sometime comfortably in the next century, if present trends continue.

Unfortunately, that does not seem to be the way China uses force. When approaching military tasks, the Chinese look above all else at the vulnerabilities (material and psychological) of their opponents. That means fighting asymmetrically—seeking to cripple and intimidate and confuse, to obtain a respectable payoff for a small risk.

Unlike the United States, which tends to draw a sharp line between peaceful diplomatic operations and war, China moves back and forth over the war/peace line, making threats as integral a part of her diplomacy as calls for negotiations are of her war-making. When China moved a few years ago to occupy Mischief Reef, one of those Spratly islets also claimed by the Philippines, she took advantage of the ill will between Manila and Washington bred by the closing of U.S. bases in the Philippines. China has repeatedly moved against Vietnam as well, always at times when Vietnam lacked allies. Similarly, while calling for peaceful negotiations, China makes great efforts to snip any connection Taiwan gains with other countries, even minor, impoverished African or Central American states.

Chinese military operations are also very unlike American ones. In the Gulf War, we employed overwhelming force after a clear and visible buildup. By contrast, China's operation against the Philippines was carried out secretly (and discovered only after the fact) and involved force so limited—a few naval vessels that unloaded men and building materials—as to hope to go unnoticed by other Asian states, not to mention powers outside the region. This nearly worked. The United States did nothing, but the Southeast Asian nations protested loudly, though not loudly enough to get the Chinese off the island (where they remain).

This islet near the Philippines is only one of the places where China has established a small but strategically significant presence. India is concerned about alleged violations of her northern frontier, and a helicopter base built on its soil; Vietnam has lost a number of islets to China; small presences also exist on Burmese-held islands near India's Andaman Islands bases.

For the moment, these Chinese footholds would be unsustainable against serious attack. But no such attack is likely. In the odd calculus of these things, a response by another Asian power at this point would likely be portrayed, even in Washington, as more "provocative" than the initial Chinese move. It's only a matter of time before China's ability to project its forces catches up with the claims already advanced. So in ten or 15 years, thanks to Russian and other foreign assistance as well as her own efforts, China will probably possess sufficient air and sea capabilities to enforce her arbitrarily expanded perimeters—a potentially dangerous situation.

The other danger is that these very acts of stealth and bluff, with which China has succeeded in the past, will one day fail. An attack on a member of the Association of Southeast Asian Nations (ASEAN), such as Vietnam or the Philippines, could quickly lead to retaliatory military action, for China's neighbors have substantial military capabilities of their own. Imagine a sea battle in which Vietnamese ships, perhaps with some covert assistance from another ASEAN member, sink some Chinese combatants. Under this very real possibility, China might well decide to escalate. The conflict might prove impossible to contain, and other regional powers—Japan or the United States—might be forced to intervene.

The world came very close to this danger almost three years ago, when China fired ballistic missiles close to Taiwan just as that island's people voted in their first democratic presidential election. China had carefully isolated Taiwan diplomatically and believed (based on some bad signals from Washington) that the United States would do nothing. In fact, Washington awakened and sent two aircraft carriers to the region. China stopped its missile firings, protesting that they had only been an exercise and were in any case completed.

China *vs.* the United States

	China	U.S
Population	1,222 million	268 million
Gross National Product	$2.9 trillion	$7.3 trillion
Crude oil production (barrels/day)	3.0 million	6.6 million
Coal production (short tons/yr.)	1.5 billion	1.0 billion
Grain deficit or surplus (metric tons)	-26.0 million	+95.7 million
Personal computers in use	3.5 million	121 million
Military budget	$38-78 b. (est.)	$262 billion
Strategic nuclear warheads	300	11,000
Long-range bombers	0	178
Ballistic missile submarines	1	17
Attack submarines	61	78
Aircraft carriers	0	12
Modern tactical aircraft	697	4,450
Active military personnel	2.9 million	1.5 million

Sources: U.S. Bureau of the Census; International Institute for Strategic Studies; U.S. Central Intelligence Agency; U.S. Energy Information Administration; U.N. Food and Agriculture Organization; *Chinese Business Review*; office of Rep. Lee Hamilton; *New York Times;* U.S. Arms Control and Disarmament Agency;Internet Industry Almanac.

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WHAT LESSONS HAS CHINA DRAWN from this humiliation? Chiefly, I believe, that she must develop some way to interfere with U.S. operations in Asia without resorting to nuclear threats against the United States mainland. Is such a capability possible? Unfortunately, yes.

In order to confront the U.S. Navy, the Soviet Union developed advanced supersonic anti-ship missiles that can penetrate our existing defenses and threaten our aircraft carriers. China is now obtaining these missiles and technologies from Russia. Carriers can also be threatened by submarines quiet enough to evade detection—and such submarines are likewise entering the Chinese inventory. In addition, U.S. forces are highly dependent on satellite and other communications links that are vulnerable to attack, as war games regularly demonstrate.

The Chinese are masters of strategic thought; they also understand the most advanced modern technology, though they may not yet be able to develop and deploy it. They are working to identify our weaknesses and target them. While the carriers recently sent to Taiwan's aid were never in danger, suppose in ten years' time the same threat arose, but this time the carriers would be endangered? It would be foolish for the Chinese to sink an American carrier—but then again, some will say, it would be foolish to send a carrier in harm's way.

Just as Imperial Germany attempted (unsuccessfully) to keep Britain out of World War I by threatening the Royal Navy with a "risk fleet," China seeks to combine targeted military capabilities with diplomatic and economic measures in order to weaken American presence and resolve in Asia. She also hopes to cut the security links many Asian states have with us. This is an attractive strategy for China, particularly at a time when, in relative terms, U.S. strength is diminishing, and our will and staying power are in question.

SOME OBSERVERS ARE COMFORTED by the fact that Chinese expansionism is now limited to petty smash-and-grab operations, rather than the sort of massive wars the Kremlin once contemplated. But this strategy may actually be more dangerous. During the Cold War, both sides understood the dangers and the stakes, and moved carefully lest there be a real collision. Small incidents erupted into headlines and were stopped. Today, no one is watching China nearly so closely.

Yet it is just when no one is looking that the Chinese strategy urges action. And action elicits unpredictable reaction: limited war can quickly spiral upward toward general war. Suppose the missile firings against Taiwan had not stopped? Suppose the Philippines destroyed the Chinese base on Mischief Reef? Suppose a spark didn't die but spread? America and her Asian friends must think about these kinds of threats—and work together to counter them.

The ancient Chinese military philosopher Sun Tzu counseled for isolating an enemy through intimidation and attacks on his alliances. Beijing today is following that course. The game China plays with her neighbors—mixing threats and bluffs over seemingly low stakes—is almost identical to the game played by Austria and Germany before 1914.

Europe in those years was a far more dangerous place than anyone realized. The same is probably true of Asia today.

CHINA'S DANGEROUS MISPERCEPTIONS OF THE U.S.

Crisis and conflict can occur as much through misunderstanding and miscalculation as through conscious decision and calculation. If recent studies of the Chinese military mentality have got it right, then one unintended result of the patchwork diplomatic settlement of the recent Iraq standoff may be to reinforce Beijing's instinct that America is soft, its will shaky, and its military capabilities somehow less than advertised.

The U.S. record in the Persian Gulf in 1991 offers the Chinese the most recent example of what this nation and its military can do when the mission is clear and the American people are united behind the president. But where much of the world saw a massive, well-organized use of superior force and technology, many in China's military saw something less. That, at least, is the concern of China specialist and RAND Corporation consultant James Mulvenon, who recently studied the senior Chinese officer corps for RAND's National Defense Research Institute. While he gives Beijing high marks for its efforts to improve the professionalism of its sprawling People's Liberation Army, Mulvenon feels strongly that its understanding of the United States is still deficient: "There are people in the PLA that believe we could only kill all those Iraqi tanks because no one was in them. They think: 'You use smart weapons too much, you have no stomach for fighting.'"

If that's the actual Chinese belief, then the gap between the reality of U.S. military capabilities and China's perception of them is wide. Worse yet, Mulvenon's informed melancholy is shared in Washington. A recent Pentagon study, "Dangerous Chinese Misperceptions," agrees that, despite all the recent military-to-military contacts between Chinese officers and their U.S. counterparts, the true picture of America apparently is still fuzzy. Says the Pentagon report: "China's leadership holds a number of dangerous misconceptions that may well cause serious political friction or even military conflict with the United States. The consequences of China consistently underestimating the military power of potential opponents complicates any effort to deter China."

A widespread Chinese belief about U.S. weakness could trigger miscalculation by Beijing. One such error would be a wholly unilateral Chinese decision to intervene suddenly in North Korea, should that failing state disintegrate and refugees pour over the border into China. Or a decision to attack Taiwan, a nation of 21 million people which Beijing claims as its historic own. Of the latter, Mulvenon agrees: "Many Chinese officers think, 'You would not risk the lives of American boys and girls over Taiwan.'"

If indeed top Chinese military leaders were unmoved by the overwhelming U.S. showing in 1991, one can only worry.

—*UCLA's Tom Plate in the* Los Angeles Times, *February 24, 1998.*

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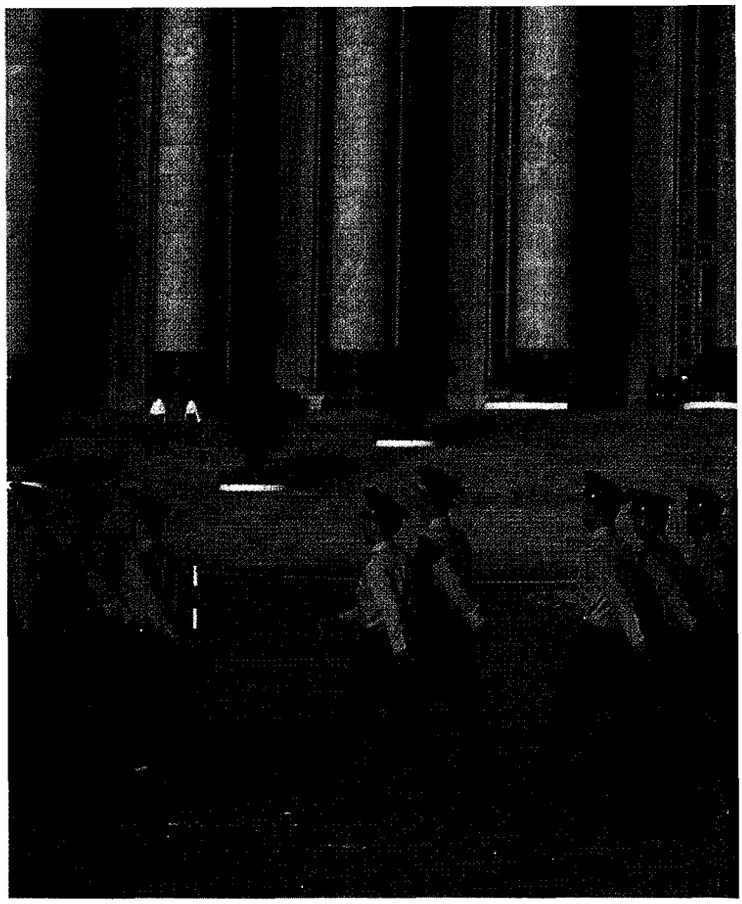

The "Chinese Threat"

By Daniel Burstein and Arne de Keijzer

IN THE LAST HALF-CENTURY, America has had to deal with competitors who were either strong economically (like Japan) or strong militarily (like the Soviet Union). As the first new superpower of the twenty-first century, China will wield *both* types of power. Its economy is every bit as effervescent as Japan's or Germany's in their miracle years, on its way to becoming much larger. And its economic might will be matched by plenty of political clout—especially in Asia but also globally—and military muscle (China is in the nuclear club and has the world's largest standing army).

Watching China's rise in the 1990s, some observers have ominously concluded that China is an aggressive power whose drive for dominance could trigger the next world war. But the new China is fundamentally different from earlier global powers: It is powerfully inward-looking. Its main rival, the United States, is also a very different kind of superpower from any that has come before: It is not trying to gain an empire, it is reasonably good at sharing power, and genuinely believes in a self-determining world.

The United States is unique in another way. It may be the first modern great power to enter a downward spiral, then beat the disease of decline. For all these reasons, America and China may be able to enjoy a common future built on free exchange, zestful growth, and mutual prosperity.

China could one day become a Soviet-style geopolitical threat, but we think it unlikely. Fortunately, Americans will have many years to see (and prepare themselves) if this occurs. Meanwhile, as columnist Robert Samuelson has observed, "Treating China as an implacable adversary could become self-fulfilling."

No doubt China will be a nationalistic superpower that looks after its own interests first. Its legitimate pursuit of those interests will pose numerous complex challenges for the United States and others. China will become neither fully democratic nor fully capitalistic at any time in the foreseeable future. Its economic, political, and military relations will be driven by a political economy, a history, and a culture sometimes at odds with our own. This will inevitably lead to differences and clashes. But these need not turn into overall antagonism. China will be a challenge, but it needn't become a threat.

We believe China is mainly concerned with developing its economy, not expanding its empire. This inward focus results from deep forces in its Confucian heritage. Inside Asia, China will exert its clout—subtly most of the time, overtly when it deems that necessary. Still, China is likely to become a responsible power, not a rogue state. If the United States embraces rather than isolates China, extensive benefits can flow to the American people, including the benefit of minimizing long-term conflict.

In short, we differ from the hawks who paint China primarily as a threat to the U.S. Let's look now at their arguments, and explain where we differ.

"China Is a Military Threat to the U.S."

Today's hawks warn that China is engaged in a massive arms build-up. It is said China is "bound" to become America's military adversary. Some imagine a hot war between the U.S. and China, arising over Taiwan.

True, China's annual military expenditures have been increasing, with the 1997 budget 13 percent higher than the '96 budget, which was about 11 percent higher than the year before. Various experts estimate the Chinese are spending somewhere between $24 and $87 billion a year on their military (depending on the complicated ways this can be calculated). But if we use one of the more plausible figures of $36 billion, that means China spends less on its military than does Japan—constitutionally a pacifist state, forbidden to maintain offensive armed forces. And China's defense budget comes to about one seventh of ours.

Some of China's recent military spending represents catch-up after years of budget slashing by Deng Xiaoping while he was trying to free up every available resource for investment in the civilian economy. All through the 1980s, China's military budget was nose-diving as a percentage of GDP—from a one-time high of 16 percent to more like 5 percent today. Over the last 15 years, the Chinese army has declined from 4 million troops to 2.9 million. And at the Fifteenth Party Congress last September, President Jiang vowed to cut an additional 500,000. While military spending has been rising throughout Asia, China's expenditures have actually declined precipitously from 54 percent of the Asian total in 1980 to 34 percent in 1994.

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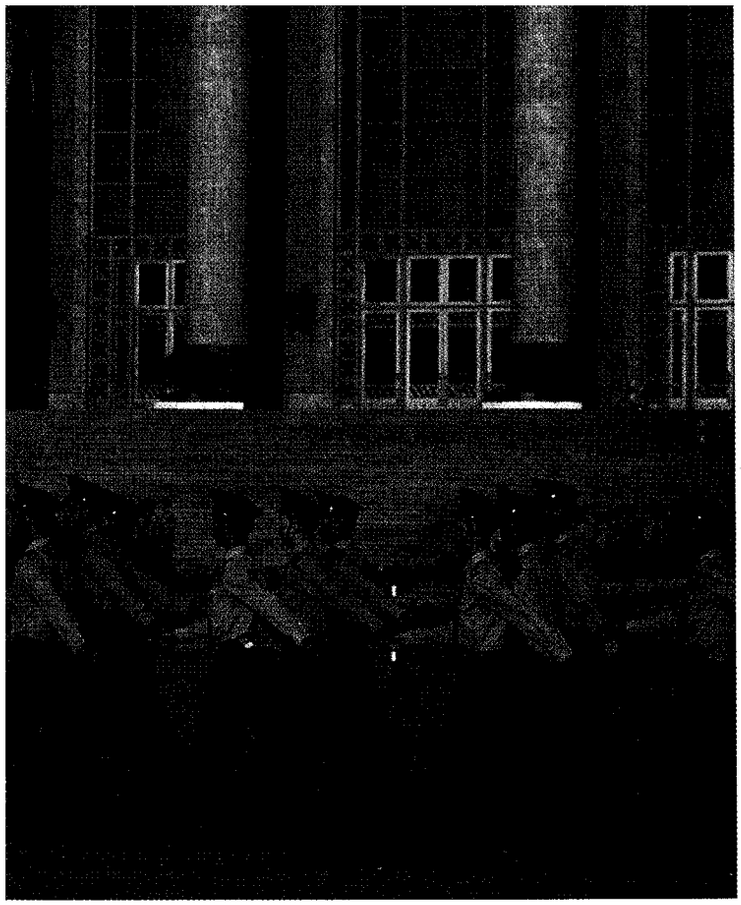

PLA platoon in Tiananmen Square

Joseph Sohm; ChromoSohm Inc./Corbis

Is Overblown

Military experts agree China remains extremely backward in military armaments. When China in 1996 conducted missile "tests" into the Taiwan Strait in a transparent effort to intimidate Taipei, the gravest danger was the munitions' obsolescence. Robert Ross notes: "the missiles were so primitive that they could have veered off course and hit Taiwan." China's most advanced domestically produced fighter, the F8-11, is the equivalent of a late-1960s U.S. warplane, Ross adds, and even this primitive plane has yet to enter fully into production. The SU-27 aircraft China has bartered from Russia are less advanced than what the U.S. sells to Taiwan, and far less advanced than what Japan co-produces with the United States for its defense. Two Kilo-class submarines China purchased from Russia in 1995 were laid up in the harbor two years later with serious problems stemming from poor maintenance.

At the moment, China's naval prowess is dwarfed by Japan's. Beijing clearly desires a more serious blue-water navy, but with nearly 40 percent of its GDP now connected to world trade, that isn't so unreasonable. Some believe China is moving to develop an aircraft carrier, but developing and outfitting even a single 1970s-vintage aircraft carrier is a decade-long undertaking. Developing a carrier *group* is a 20- to 25-year project; so the U.S. has the luxury of a decade or two to observe China's progress before determining whether to treat it as an adversary.

China's occasional uses of force, such as its live-artillery tests near Taiwan and its seizures of disputed islands, obviously discomfit its neighbors. But those of us far away should remember that *every* case of Chinese projection of military power has involved disputed territory, border areas, and what China perceives to be its strategic interests of security and territorial integrity. We may disagree with Beijing's interpretations and criticize the use of force, but it is important to recognize that every such action has been narrowly directed.

The hawks are probably right that at least some strategic thinkers in China aspire, over the long term, to edge the U.S. military out of Asia. The hawks are also right that American armed forces ought to stay in Asia as a critical constraint on China's most dangerous tendencies. But many observers believe mainstream Chinese doctrine still favors a U.S. military presence in Asia, as a check on Japan's remilitarization and other trends Beijing finds dangerous.

The United States should maintain its military prowess and continue developing advanced weapons systems. The many possible dangers in today's world, including the small risk that China will turn into a rogue nation, should keep Washington on this course, but we needn't pretend China is a current threat to our formidable military.

The world has probably never been so thoroughly dominated militarily by a single nation as it is today by America. China's increased arms spending bears watching, but we are confident predicting that even from 2010-2025, there will be no comparison between China's military capability and America's.

China is a nuclear power, and her warheads are the only ones pointed at the United States. But nuclear forces are not a major area of Beijing's arms build-up. Very few experts believe that China will soon present an aggressive threat in this area that could not be adequately checked by American defensive technology.

"But," argue some hawks, "it is only a matter of decades before China becomes the other military superpower on earth; so it's best to prepare now." To this, Owen Harries, editor of *The National Interest,* retorts that "a matter of decades is a long time in politics. By the time those decades have passed, the United States itself will have made further vast technological advances." The world will be a different place, and we will have a much clearer idea of China's intentions. If China emerges as the threat hawks fear, there will be plenty of time to prepare.

"China Is an Expansionist Power"

Even if China doesn't directly threaten America now, Beijing is an adventurist power eager to dominate Asia, some argue. If the United States doesn't "contain" China, they warn, China will eventually dominate Asia and endanger American interests.

If the hawks mean China will become the heart and soul of Asia, with many neighboring countries bending to its wishes because of its economic power (as countries all over the globe now bend to American influence), then they had better get used

Daniel Burstein and Arne de Keijzer are co-authors of the new Simon & Schuster book Big Dragon, *from which this is adapted.*

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to it, because that is where the world is headed over the next 25-50 years. If the hawks mean China should be discouraged from flexing its muscles as it has recently in the Taiwan Strait and South China Sea, they have a point. But there is little evidence China is bent on making Asian conquests as the former Soviet Union routinely aspired to do.

China's provocations against Taiwan, and her military occupation of Tibet are anything but new. The determination to reincorporate Taiwan is almost 50 years old; the takeover of Tibet took place 40 years ago. China's claim to sovereignty over these areas and its assertion that these are internal and not international matters are persuasive to many.

China's increased arms spending bears watching, but we are confident predicting that even from 2010-2025, there will be no comparison between China's military capability and America's.

China's claims of sovereignty over the Paracel and Spratly Islands, asserted against counterclaims by Vietnam, the Philippines, Malaysia, and others, have produced minor military spats over 25 years. These efforts—most recently, the Chinese erection of a reconnaissance station on the aptly named Mischief Reef in the Spratlys—have deeply disturbed the members of the Association of Southeast Asian Nations, who wonder whether China will be a cooperative, benign neighbor or a regional bully.

Legal claims to the islands involve a welter of confusing and ambiguous historical facts, agreements, and surveys. China essentially claims all of both the Spratlys and the Paracels. It has, however, been willing to participate in discussions with its Southeast Asian neighbors. In March 1997, when Vietnam protested the erection of a Chinese oil rig in disputed waters, negotiations ensued. When the Philippine government protested China's activities on another small disputed island in May of that year, China pulled down the hut that had caused the controversy. And the hawks never mention that Taiwan generally concurs with Chinese claims to these islands. Indeed, Taipei agrees in principle with Beijing on most Chinese territorial issues.

There are important long-term issues of possible offshore oil and control of sea lanes. But much of the argument over these particular islands is more symbolic than strategically consequential, part of the give-and-take of negotiating a new order in Southeast Asia—and all claimants understand that. Contrary to alarmist suggestions, the fall of an obscure atoll in the Spratlys is hardly the moral equivalent of Hitler's annexation of the Sudetenland, nor is Beijing a dangerously maniacal regime eager to lash out in all directions. It is a deliberative and conservative power—at least most of the time.

China Behaves Aggressively Toward Taiwan

Yes, it does. During Taiwan's 1995-96 presidential campaign China was crudely threatening and bellicose toward Taiwan. But stunning and disquieting as those actions were, they were much less consequential than other recent developments in the cross-strait relationship. One hears far more talk in Washington about protecting Taiwan from an aggressive China than one hears in Taiwan, where China is more often viewed as a business opportunity than a threat. Over $20 billion of Taiwanese money flowed into China between 1990-96, and more than 20 percent of Taiwan's vast exports now go to China. Some 40 percent of all companies listed on Taiwan's stock market have mainland operations. Not only are China and Taiwan major trading partners, but Taiwan is sending the mainland a significant flow of technology and managerial know-how.

Much of the Taiwanese shoe industry has moved its operations to China (just as this industry once migrated from America to Taiwan). In Dongguan City, a boom town in China's Guangdong province, an incredible 1,350 companies belong to the local Taiwanese Association. With the complete acquiescence of local Chinese authorities, Taiwanese managers in Dongguan City organize thousands of workers—most of them young peasant women from the Chinese countryside—who make many of the Reeboks, Nikes, and other running shoes sold in America. With on-the-ground cooperation working well, no wonder the Chinese took no punitive economic action against Taiwanese businesses even at the height of the 1995-96 political wrangling.

Taiwanese companies are helping China up the high-tech ladder in everything from cellular phone software to biotechnology. Taiwan's largest company, Formosa Plastics, has put a $3.2 billion power plant in China's Fujian province. Taiwan-based China Chemical & Pharmaceutical Company is building a $50 million biotech facility on the mainland.

A generation of peaceful initiatives has changed the China-Taiwan relationship from one of mutual isolation and artillery shelling to one of dialogue, trade, and tourist exchanges. If anything like today's developing cross-strait relationship existed among former enemies in the Middle East, the foreign policy wisemen would hail it as a triumph for peace. But in China, the same experts can only see conflict.

We do not dismiss the possibility of another Taiwan crisis breaking out—if, for example, Taiwan declared independence and China responded militarily. The intensity of Beijing's belief that reunification with Taiwan is its right, duty, and destiny is undeniable. But a balanced look at all the facts suggests the big story is the way normality and peace are breaking out in China-Taiwan relations, despite some extremely troubling moments.

"China Is a Rogue Nation That Refuses to Play by International Rules"

Many people have been horrified by elements of Chinese behavior in recent years: selling nuclear weapons-related equipment to Pakistan; helping Iran develop a nuclear reactor; selling chemical warfare components to Iran; smuggling AK-47s into the United States for sale to California street gangs; and committing an assortment of economic sins ranging from running up a giant trade surplus with the U.S. to operating state-

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owned factories whose main business is pirating American intellectual property.

These behaviors fall far outside the bounds of international acceptability, and must be condemned and punished. Trade sanctions against the Chinese entities selling chemical warfare materials to the Iranians are thoroughly appropriate, for example. But amid the din of criticism some perspective has been lost. China is a country that has gone from near-total diplomatic isolation 25 years ago to being an active and responsible member of the United Nations. In Security Council votes, China has used its veto power extremely rarely. In fact, it has sided with the United States more often than not and has politely abstained rather than use its veto when it did not wish to endorse U.N. peacekeeping missions it judged too interventionist.

China is now a member of numerous other international organizations, ranging from the International Monetary Fund, the World Bank, and the Bank for International Settlements to APEC (the Asian Pacific Economic Cooperation forum) and other regional bodies. These affiliations are weaving the nation into a network of international rules, most of which it follows. Beijing has also become a signatory to numerous global environmental agreements, and even to nine international human rights agreements, although its compliance with these has been very mixed.

China is, unfortunately, a major arms merchant. Some of its weapons are highly competitive in global markets, and its foreign-policy objectives can be bolstered through arms sales. Overall, of course, China is a small arms trafficker compared to the United States; its sales total about 10 percent of American arms exports. China's sales are also considerably less than those of countries like France and Israel. China has sold arms to countries with which the U.S. would prefer it not do business. But every country involved in the arms trade, including the United States, ends up selling to rogue regimes. The story of how the United States built up Saddam Hussein's arsenal in Iraq is well known.

China watchers Andrew Nathan and Robert Ross argue that China's arms sales have recently been relatively clean. They note that "China was negotiating to sell M-9 missiles to Syria, but canceled the agreement in 1992 after lengthy negotiations with the United States.... Following the U.S. decision to sell F-16s to Taiwan, Beijing undertook to help Iran develop a nuclear reactor. In response to complaints from the United States...China announced in 1995 it would suspend the agreement." More recently, U.S. officials seem to have convinced Beijing to rein in sales of cruise missiles to Iran.

According to Nathan and Ross, the glaring exception to China's willingness to play ball with the United States on arms sales and nuclear issues is Pakistan, where the Chinese have abetted Islamabad's drive to develop nuclear technology. Pakistan, of course, is one of the most important countries in the world to Beijing, which sees it as a strategic counterweight to India, a link to the Islamic crescent in the Middle East, and a bulwark against Russian influence in western Asia. Beijing has had friendly relations with Pakistan longer than it has with the United States or any other country. Whatever aid China supplies to Pakistan is part of a long-term foreign policy, not opportunistic adventurism.

The FBI is still investigating the AK-47 case, but we doubt Beijing has any official plan to profit from American gang wars or to destabilize the United States politically by running guns to gangs. Rather, this looks like other cases in which China's central controls have broken down: units that were formerly part of state enterprises are now trying to fend—and profit—for themselves, with varying degrees of intelligence.

It's not shocking that competing power centers will sometimes abuse their nascent freedoms in the new Chinese

Why Our Hardliners are Wrong

By Robert Ross

China lacks the ability to conduct sustained military operations more than 100 miles from the Chinese shoreline. China is a formidable land power, but in maritime Southeast Asia, where U.S. interests are most at stake, China is militarily inferior even to such countries as Singapore and Malaysia.

China may succeed in modernizing its military. But it may fail, too—economic and technological modernization is a precarious enterprise. As an export processing zone for the advanced industrial countries, China has succeeded in raising living standards and its GDP, but this is a far cry from developing the economic and technological capabilities to field a twenty-first-century military force.

U.S. military supremacy is so overwhelming that Washington has the luxury of being able to observe Chinese technology development and weapons production before adopting countervailing policies.... Washington has global superiority in every phase of warfare, and while China is trying to catch up, the United States is not standing still.... U.S. technology and weapons modernization are advancing so rapidly that, in all probability, with each passing day and despite its strenuous efforts, China's technological and military capabilities are losing ground rather than catching up with those of the United States.

Politically, too, the American alliance system in Asia is superior to anything the Chinese can hope to have. Logistically, the U.S. alliance with Japan and its access to basing facilities throughout the region give the United States an enormous advantage. Diplomatically, China is increasingly viewed in the region as a problem to be managed, while the United States is seen as a relatively disinterested power-broker whose aims are compatible with regional peace and prosperity for all.... With such logistical and diplomatic superiority to bring to bear, current U.S. defense spending and weapons acquisitions are already more than sufficient to hedge against China's potential development of advanced military capabilities.

—*Excerpted from the fall 1997 issue of* The National Interest.

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economy. Americans should seek the punishment of Chinese individuals or companies that violate U.S. law. But that is very different from imposing economic sanctions on all of China.

On the trade front, there are many reasonable complaints about China's practices—though fewer than there were about Japan a decade ago. China's market for trade, and especially for investment, is far more open than the Japanese market was then. Unlike Japan in the past, which sought to have a positive trade balance with all its partners, China runs a trade *deficit* with some major trading partners (such as Japan), and only a small surplus with Europe.

China has gone from almost no participation in the world trading system to $300 billion in annual trade, a stunning 50-60 percent of the country's GDP, which is far higher than either the American or Japanese percentage. All this has happened in just 20 years. Foreign investors have been able to invest in companies, buy assets, and even arrange leveraged buy-outs and other Western financial practices that to this day are virtually impossible in Japan.

The debate over China's entry into the World Trade Organization is an extremely important one. China wants to retain the special conditions and exemptions of a developing country; the United States wants it to be treated like any other developed country. What is interesting is that China is arguing its case, and not seeking to join the WTO under false pretenses or trying to assert its right to special exemptions after the fact. It is taking a principled position on its membership from the point of view of its own interests.

American and Chinese interests do diverge on some key points. When tensions arise, China will generally assert its own interests. This does not make it a rogue state, but an independent great power on the road to becoming a superpower. It would be naive to expect such a superpower to simply follow all the rules already written by preceding great powers. China will want to be an insider to the process of global rule making. And American interests will be best served by making it possible for China to become that insider, rather than allowing it to follow some of its more extreme impulses.

"China Is a Dictatorship and the World's Leading Human Rights Violator"

China has in the recent past shown a willingness to let might make right. But the picture has grown brighter as China has become the subject of diplomatic criticism from Americans and others. The Chinese people are now more relaxed about individual expression than they have been in their entire history. Information sources have burgeoned, with a recent count of over 10,000 publications now in circulation, compared to the sparse handful of officially approved magazines and newspapers 20 years ago. About 90 percent of the new publications are neither launched nor controlled by the Communist party.

Academic freedom has also expanded enormously. China's think tanks now publish respectably independent studies and papers. Books that are out of favor with the government are published anyway and even become best-sellers. Protest lyrics are heard in Chinese rock songs. Party leaders are unceremoniously dumped in free village-level elections. For the most part, people in China can live comparatively freely, so long as they do not openly challenge the central premises and personalities of Communist rule. That is, of course, a huge speed bump in the middle of this march of progress. It leaves China far, far short of genuine democracy and freedom.

There are several thousand political prisoners held by the Chinese government. Thousands more are under house arrest or are closely watched. Many more have abandoned their dissent because the climate is too repressive. Thousands have gone into exile.

But even if one added up all those who face one form of repression or another, the number of people persecuted for their political beliefs today is the lowest it has been since the 1950s. No one who visited China in the late '60s or early '70s can go back today without noticing the enormous human diversity that was previously repressed. This has happened largely because of the breakup of the "snitch dynasty" (as the Canadian journalist Jan Wong so aptly labeled it) and the old *danwei* (work unit) system. Until recent years, the Communist party controlled the country down to street level, creating "neighborhood party committees" to keep track of everything from individuals' loyalty to the party to their cooperation with family-planning policies. Workers were overseen by the party committee of their factory or work unit as well, which controlled their work and residency permits and compiled dossiers that would have made the East German secret police blush. The loosening of the iron grip of these institutions has brought immeasurable relief to hundreds of millions. Yet it is a story we hear little about.

There are religious believers who are persecuted in China today, and genuine freedom of religion is far from a reality. But there are more people practicing Christianity, Buddhism, and folk religions at present than at any time since the 1950s. Christianity officially has 10 million adherents; researchers in Hong Kong and the United States claim the number to be between 12 and 65 million—and perhaps even as high as 100 million.

China scholar Merle Goldman observes "a qualitative difference between the human rights abuses" of the Mao Zedong era and the current era. Whereas Mao attacked whole classes of people, such as Western-oriented intellectuals in the Cultural Revolution and 30 million peasants during the Great Leap Forward, today's repression of dissidents "is directed against specific individuals, not against their families, friends, and the class to which they belong." Goldman notes that Mao's prisoners were often tortured and died in captivity, whereas today's dissidents usually reappear in public after some jail time. The most famous of those dissidents, Wei Jingsheng—who coined the notion of democracy as China's badly needed "fifth modernization"—was released to U.S. resettlement in 1997 after nearly 16 years in jail.

Owen Harries draws another distinction between China's present oppressors and their precursors:

> There will be some terrible occasions when the violations of human rights will be so horrendous that the absolutist moral approach becomes—or should become—compelling. Such was the case with the murderous regimes of Hitler and

continued on page 56

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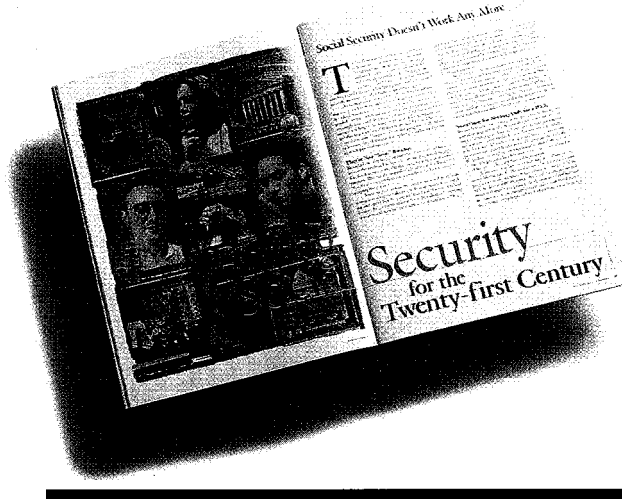

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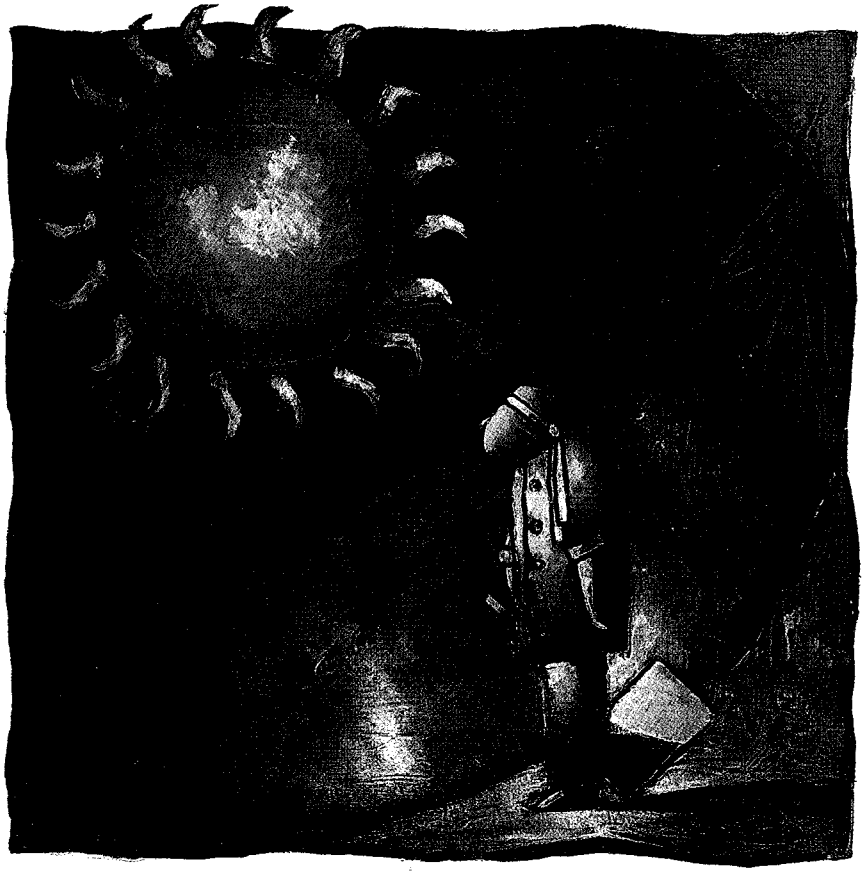

Matthew J. Baek

Are the Chinese Liberty

IT HAS BEEN 18 YEARS since the most draconian population control program of modern times was imposed on Chinese families by their own government. In a 1979 speech, Deng Xiaoping drew the first outlines ("Use whatever means you must to control China's population. Just do it"). By 1981 the one-child-per-family limit was ironclad nationwide.

The "technical policy on family planning"—a kind of how-to manual for Chinese officials—followed two years later. Still in force today, this *mandates* birth control for women of childbearing age with one child, sterilization for couples with two children (usually performed on the woman), and abortions for women pregnant without permission. Abortions are performed throughout the entire nine months of pregnancy, even up to the point of childbirth. It is common to give lethal injections to viable infants *in utero* or, if their mothers are brought in to the hospital already in labor, as they begin their descent into the birth canal. I once interviewed the head of a large military hospital in South China who admitted to me that in his facility alone some 400 cases of infanticide (he delicately referred to them as "procedures") were committed each year.

In the mid-'80s, according to Chinese government statistics, birth control surgeries—abortions, sterilizations, and IUD insertions—were running at a rate of 30 million a year. Numbers for more recent years are unavailable; the government, embarrassed by reports of coercion and female infanticide, has refused to release them. Many—if not most—of these operations are performed on women whose "consent" has been wrung from them by an escalating series of threats and punishments. "You will be fired from your job unless you comply" is a common form of arm-twisting.

China's population control officials have been known to abort and sterilize women by force, a fact which comes through sometimes in odd ways. Last October, for instance, Beijing proudly unveiled its latest "family planning" weapon: A mobile abortion unit. The occasion was the 24th International Population Conference, hosted by Beijing and attended by 1,400 delegates from around the world. A white van rolled up to the conference hall as official Zhou Zhengxiang explained to the delegates China's plans to make 600 of these units to travel around the countryside. The rear door was thrown open for inspection and the delegates were invited to inspect its equipment. They saw a bed, suction pumps, and—a body clamp. *A body clamp.*

Quite apart from the cruel way it is enforced, the one-child policy constitutes an incredible expansion of raw state power. The Chinese Communist party has, in effect, intruded itself into the bedrooms of every couple in China, expropriated their reproductive tracts, and is dictating to them the number and spacing of their children. As far as reproduction is concerned, China's command economy is alive and well.

Over the years, I have given hundreds of talks on China's one-child policy, describing how it runs roughshod over the rights of women and families. With the exception of a few population control zealots, I have found that most Americans, when they learn the details, react strongly against what the Chinese government is doing. At the conclusion of my talk someone almost invariably raises the question: "Have there been

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Ready for & Self-Government?

BY STEVEN W. MOSHER

protests against the policy?" Sometimes the point is put more bluntly: "Why don't the Chinese rebel?"

BUT THE CHINESE PEOPLE have not rebelled against the one-child policy. There has been no organized resistance, and local demonstrations have been few. Violence has been limited to occasional acts of revenge against family planning officials by distraught husbands and fathers. The vast majority of Chinese have chosen the path of quiet accommodation rather than confrontation.

Why? One reason is pervasive fear of the regime. China's government so cows most of its people that they attend closely to the state's desires and behave accordingly. The Chinese government has a well-deserved reputation for harsh treatment of dissidents of all kinds. Few countries exact a higher price for protesting government policy.

This is especially true in the area of birth control. The birth control regulations of Guangdong Province contain, within a section called "rewards and punishments," a chilling warning to those who oppose the provincial government's will: "Those who attempt to defeat the birth control plan by engaging in rumor-mongering, distorting the truth, attacking and harming birth-control workers and activists, and generally breaking the law must be dealt with severely. If they have actually obstructed the implementation of the birth control plan, then they must be brought before the law for punishment. Those enemies of the people who attempt to defeat the birth control plan must be exposed immediately and resolutely attacked."

Opposition to the one-child policy, in other words, is treason, and such traitors—counterrevolutionaries in Communist parlance—are severely punished. Thus, citizens who are conscientiously opposed to the program dare not make any public expression of disapproval. One doctor told me that many of his colleagues were very upset about having to abort women who were seven-, eight-, and nine-months pregnant, but that no one had considered protesting publicly or refusing to perform such operations. "The consequences would be very serious," he told me. "There would be criticism, transfer, demotion, struggle, perhaps even hard labor. No doctor I know is prepared to take that risk."

The peasants, whose security, privacy, and families are most threatened by this program, are for the most part politically inarticulate and naive about matters beyond their own rice bowl. The largest demonstration of which I am aware came in Jiangxi province in 1982, when peasants from six counties marched on a prefectural capital in opposition to the one-child policy. Occasionally, protest has gone beyond the merely vocal and become violent as well, as happened in a village in the Pearl River delta when a local official took a woman seven-months pregnant by force to the local abortion clinic. Her husband went into a black fury and killed the official's two sons, then committed suicide himself.

Steven W. Mosher, one of the first American researchers to enter China in the late 1970s, has written five books about China, including the soon-to-be-published War With China: 2010. *He is now president of the Population Research Institute.*

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Aside from those who are directly affected, however, there are not many who risk confrontation with the authorities over the birth control law's profound human rights abuses. The worst excesses of the campaign are occurring in the countryside, while China's few dissidents are concentrated in the cities, where their attention is held by other issues. Moral outrage is limited as well by the sometimes "nasty, brutish, and short" character of life in China, and by the lack of a religious tradition grounded in the sanctity of human life. Man is not made in God's image in the Chinese mind. And Confucius never said, "Thou shalt not kill."

Do the Chinese suffer from some culturally engrained fatalism that makes them easy prey for despots?

STILL, THE TIMIDITY OF THE RESPONSE seems out of proportion with the severity of the offense. One would think that if the Chinese people were ever going to stand against the tyranny of their government they would do so as a result of its taking their children away from them. If the right to have children isn't worth defending, even to the point of death, then what is?

It's impossible to imagine such a policy being successfully imposed on Americans. If the Clinton administration tomorrow announced a one-child policy (I assume Vice-President Gore, who apparently believes that babies cause global warming, would do the honors), the resulting reaction would bring down the government. Millions of Americans would literally grab their guns and head for the hills over such a policy. So why don't the Chinese rebel?

It is not as if the Chinese have never turned against their rulers. Faced in the past with rapacious officials or onerous taxes, there would be angry talk in local teahouses. In the wake of foreign mishaps or domestic calamity, whispers would spread that the emperor had lost the Mandate of Heaven—the God-given right to govern. Dispossessed or starving peasants sometimes became roving bandits, attacking isolated government garrisons or granaries. From time to time over the long course of Chinese history—every half-century or so—widespread armed rebellion would break out. Every two or three centuries, when conditions grew particularly intolerable, it would be successful.

But since 1979, living standards have been on the rise—rapidly in most parts of China—and so the restrictions on childbearing have been balanced by economic bounty. The Chinese people have accepted that trade-off. The Chinese Mandate of Heaven, it would seem, has more to do with putting food on the table than with putting babies in the cradle.

Post-Mao China has seen protests, of course, the most famous being those that occurred in Tiananmen Square from April 18 to June 4, 1989. But these were led by unmarried students as yet unaffected by the strictures on childbearing. Other issues, from democratization to dormitory housing, dominated their agenda. And the brutal way these demonstrations were put down underlined once again the willingness of the regime to use deadly force against its opponents—and made even more unlikely any mass protests against the one-child policy.

Another factor blunting popular discontent is widespread international support for the one-child policy. Organizations such as the United Nations Population Fund (UNFPA) and the International Planned Parenthood Federation have been encouraging the anti-population campaign of the Chinese government from the beginning. Generous funding has been forthcoming, along with awards and laurels, and the Beijing regime has trumpeted this, telling its people the whole world approves of what it is doing. How it must dampen the spirit of population dissidents to learn that, however noxious the government's policies, the United Nations approves.

So successful has China's domestic propaganda campaign been that student leaders who escaped to the U.S. following the Tiananmen massacre were surprised to learn their government's one-child policy was controversial in this country. They had been told that the U.S. government and people supported the birth restrictions. The truth, of course, was quite the opposite. Far from applauding the one-child policy, most elite opinion in the U.S. has condemned it. The U.S. Congress in 1985 actually forbade any U.S. funds from going to a country (read: China) or organization (read: UNFPA) that supported forced abortion or sterilization. The Kemp-Kasten Amendment was signed into law by President Reagan.

IT IS OFTEN SAID THAT A PEOPLE get the government they deserve. Does the apparent willingness of the Chinese people to tolerate brutal assaults on their family life reflect some deep passivity in the national character? Do they suffer from some culturally ingrained fatalism that makes them easy prey for despots who happen along? Is it possible they are, to put it bluntly, culturally unfit for democracy?

Out of the reach of Communist authorities, younger Chinese have been bold enough. Following Tiananmen, for example, overseas Chinese organized some 8,000 groups in opposition to the Beijing regime, and a number included the one-child policy on their lists of human rights grievances. Many of these groups, especially those composed of students from the PRC, were eager to learn more about democracy.

From 1989 to 1993, as director of the Asian Studies Center at the Claremont Institute, I and other Institute personnel organized a dozen or more symposia for Chinese pro-democracy leaders. We were eager to help educate them in the principles of liberty and the mechanics of democracy. We taught them Robert's Rules of Order, so that they could debate political issues in an atmosphere free of fear. We translated the U. S. Constitution into Chinese, to make it more accessible to the Chinese people. We encouraged discussion on the principles of self-government. In these efforts we were, to judge from the positive responses of the symposia participants, largely successful.

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But at the same time, we realized that democratic structures wouldn't survive long in China unless they could rest securely on a Chinese historical and cultural foundation. So we went back to the works of Confucius, Mencius, the Legalists, and others, hoping to find references, however oblique, to such concepts as popular sovereignty, separation of powers, and the like.

In this effort we were by and large disappointed. There is no Chinese tradition of respect for human rights, indeed, no notion of inalienable rights at all. There is no ghost of a suggestion that government in any way derives its just powers from the consent of the governed. From the beginning of Chinese recorded history, the emperor has been an absolute despot. In this regard, there is little to distinguish Qin Shihuang, who ruled from 221-206 B.C., and Mao Zedong, who ruled from A.D. 1949-1975 China's autocratic traditions provide no roots, and precious little foothold, for the foreign shoots of democracy.

THIS IS NOT TO SAY THAT China's democratization is impossible, merely that it will be difficult. For in fact, some of the beginnings of Chinese democratization have already been laid. The Republic of China, founded on the mainland in 1911, was self-consciously modeled upon the United States, with its separation of powers and a presidential, rather than parliamentary, political system. This was destroyed when the Japanese invaded and the Chinese Communist party came to power.

Yet, out of reach of the People's Liberation Army, the Chinese on Taiwan have continued the progression. While the mainland was in the grip of a totalitarian regime run by the megalomaniac Mao, Taiwan in the 1950s and '60s was busily gaining experience in local democracy, by holding election after election at the county and township level. And over the past two decades, as the People's Republic practiced its peculiar brand of Leninist capitalism, Taiwan has successfully made the transition from autocratic state to modern democracy. The Chinese people, the example of Taiwan demonstrates, are capable of self-government.

We should not expect democracy to come as quickly to China as it did to Taiwan, however. Cultural and political change were greatly accelerated in Taiwan, a small, island nation cut off from the mass of China and utterly dependent on the United States. Within such a context, the U.S. example of ordered liberty and respect for human rights quickly carried the day, overwhelming within a generation the traditional notions of autocratic rule. Changing the political culture of China will take longer. Much longer.

A POLITICIAN FOR CHINA'S FUTURE

No one has any real idea of whether the U.S. and China are capable of talking their problems out. But if you chat long enough with Shanghai's Mayor Xu Kuangdi, you almost forget he's a Communist. In fact, Xu Kuangdi sounds more like pragmatic American mayors such as New York's Rudy Giuliani or Los Angeles's Dick Riordan than an aloof, preprogrammed robot out of Mao's Little Red Book (except, of course, that he's not democratically elected). And this may explain why he's so well liked by Western multinationals, and so relatively successful in managing China's most populous city.

Shanghai's mayor is widely viewed both here and abroad as a major voice of China. This opportunity-rich but trouble-plagued city of 13 million to 16 million (depending on how all the heads are counted) is the place to be if you want to go places in Chinese politics. President Jiang Zemin is a former Shanghai mayor, as is the powerful economic reformer Zhu Rongji. What's next for Mayor Xu?

A former Shanghai University official and engineering professor who once was a scholar in England, Xu represents the new breed of Chinese leader who believes that ideology doesn't really take you very far if you have a leaky roof over your head, little to eat, and a bleak future.

When former Mayor Zhu asked Xu years ago to head the city's planning commission, Xu complained that he despised the whole idea of central planning. "Then you're exactly the man I want," replied Zhu, also fed up with bureaucracy. That story summarizes as well as anything the spirit of Shanghai, a sprawling metropolis where per capita income is among the highest in China and where lingering European architectural influences serve to remind the visitor of the city's rakish past as a just-about-anything-goes melding of East and West.

When Xu, 60, spoke recently in the reception room at Shanghai's City Hall, he insisted that "A lot of our problems are the result of the old planned economy. The government interfered too much. Whether you were a Western businessman or Chinese, you had to get too many approvals. We have got to simplify everything and make it more transparent."

Shanghai today is effervescent chaos. Subways are expanding and freeways zigzag here and there but traffic still piles up in frenzied clumps; clusters of skyscrapers streak upward across the river from downtown, then wait for the future to bring them tenants; after sundown residents and tourists mill about the main streets, turning every night into a lively celebration....

Major foreign investment declined last year. Coming months may bring growing unemployment on a massive scale as the long-planned dismantling of China's huge, inefficient state industries unfolds. Today's unemployed workers can become tomorrow's social instability; Xu knows that street unrest leading to another Tiananmen-style crackdown would further arrest Western investment so crucial to Shanghai.

Xu works to warm up Sino-U.S. relations because he wants Western investors to keep coming. "From the bottom of my heart," he says, "we like Americans. They're not like others whose faces you can't read and who say they like you but are really feeling something else. Generally, Americans are easy to read and we Chinese appreciate that."

—*UCLA's Tom Plate in the* Los Angeles Times *February 17, 1998.*

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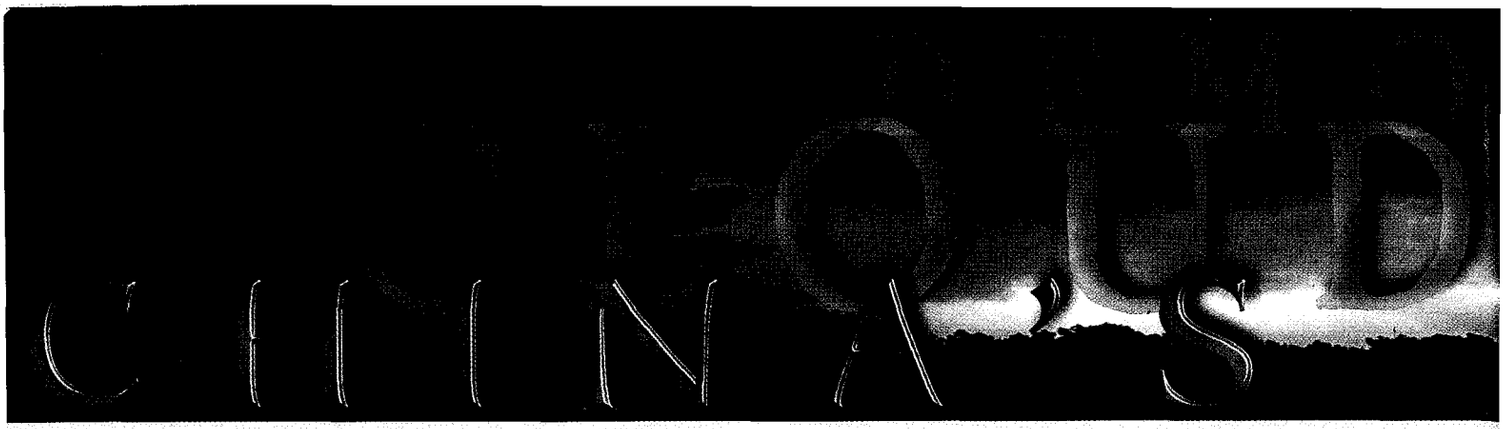


While there is little about China's position in the year 2025 that we can predict with confidence, one critical aspect of China's future can be described today with some accuracy: her population trends. Most of the Chinese who will be alive in 2025, after all, have already been born.

The most striking demographic condition in China today is the country's sparse birth rate. Though most of the population still subsists at Third World levels of income and education, fertility levels are remarkably low—below the level necessary for long-term population replacement, in fact. This circumstance of course relates to the notorious "One Child" policy of China's Communist government, applied with varying degrees of force for nearly two decades.

Ironically, by laboring so ferociously to avoid one set of "population problems"—namely, "overpopulation"—Beijing has helped to ensure that another, even more daunting set of problems will emerge in the decades ahead. Those population problems will be, for Beijing and for the world, utterly without precedent. While impossible to predict their impact with precision, they will impede economic growth, exacerbate social tensions, and complicate the Chinese government's quest to enhance its national power and security.

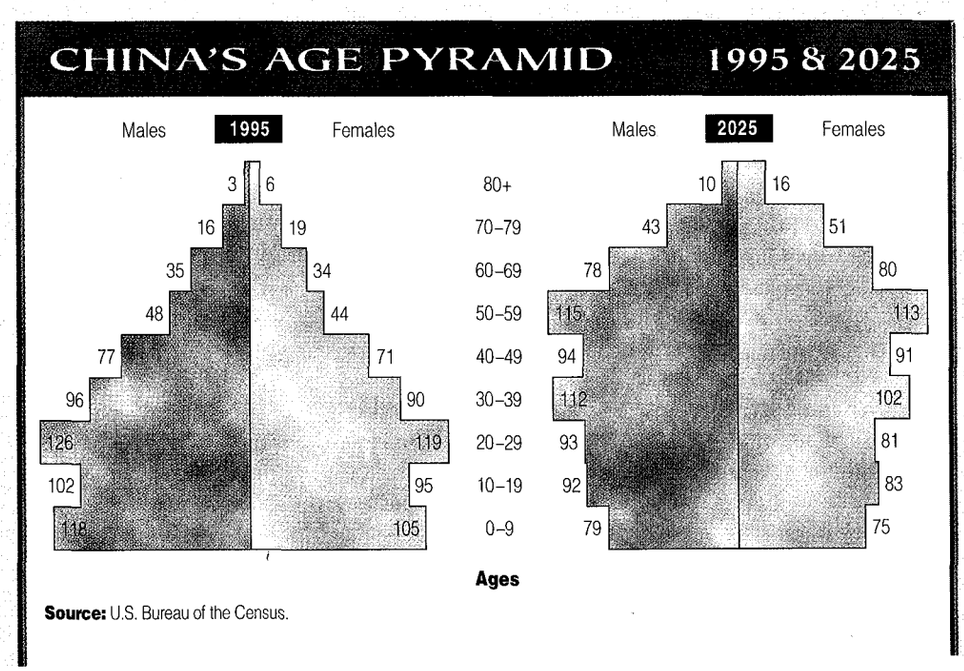
How can we know fairly well what China's demography will look like 25 years from now? Because according to the latest estimates by the U.S. Bureau of the Census, about a billion of the 1.2 billion Chinese living on the mainland today will still be alive in 2025—accounting for about seven out of every ten of the 1.4 billion Chinese then alive.

The main population wildcard in China's future is fertility. The Census Bureau suggests that the nation's total fertility rate (TFR) now averages a bit under 1.8 births per woman per lifetime (significantly below the 2.1 births necessary for long-term population stability). For broad portions of the Chinese populace, fertility appears to be even lower—as depressed as 1.3 lifetime children per woman in some cities. In Beijing and Shanghai, TFRs may actually have fallen under one by 1995!

The Census Bureau assumes Chinese fertility will average about 1.8 births per woman through 2025. But today's childbearing takes place under the shadow of the country's severe—and coercive—anti-child campaign. Might not the birth rate leap up if that program were discarded or reversed? It's impossible to be sure, but bits of evidence suggest that a revolution in attitudes about family size has swept China since Mao's death—and that this would prevent fertility from surging back toward more traditional patterns, even if all governmental controls were relaxed. Consequently, the Bureau projects that China will be reaching zero population 25 years from now.

But China's population will look quite different than it does today, as the nearby chart reveals. China in 2025 will have fewer children: The population under 15 years of age is projected to be almost 25 percent smaller than today. The number of people in their late twenties may drop nearly 30 percent. But persons in their late fifties stand to swell in number by over 150 percent, and there will be more people between the ages of 55 and 59 than in any other five-year age span. Persons 65 years or older are likely to increase at almost 3.5 percent a year between now and 2025, accounting for over three-fifths of the country's population growth.

In short, if Census Bureau projections prove correct, China's age structure is about to shift radically from the "Christmas tree" shape so familiar among contemporary populations to something more like the inverted Christmas trees we see out for collection after the holidays. While in 1997 there



Source: U.S. Bureau of the Census.

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by Nicholas Eberstadt

were about 80 Chinese age 65 or older for every 100 children under age five, by 2025 China would have more than 250 elderly for every 100 preschoolers.

China's coming demographic transformation will bring three sets of serious social problems: rapid aging, declining manpower, and a protracted bride shortage.

China's "graying" will be as swift as any in history. In 1995, the median age in China was just over 27 years. By 2025 it will be about 40.

Although several European nations are already at China's 2025 median age, they got there much more slowly, and with much more societal wealth available to cushion the effects. A similar "graying" over the last four decades in Japan has emerged as an intense concern of Tokyo policymakers, who wonder how the nation is going to manage its growing burden of pensioners. Like the China of 2025, Japan's median age is currently around 40 years. But Japan is vastly richer today than China could hope to be by 2025. Even if its current brisk pace of economic progress continues, China will still be by far the poorest country ever to cope with the sort of old-age burden it will face.

For despite its recent progress, China remains a land of daunting economic disparities and crushing poverty. World Bank research has indicated that the proportion of Chinese suffering "absolute poverty" (defined by the Bank as living on less than $1 a day) was nearly 30 percent from 1981-95. Though that figure is undoubtedly lower today, under almost any plausible scenario for future income growth, China in 2025 will still have hundreds of millions of people with incomes not much different from today's average ones—but with a dramatically older population.

How will such a nation care for its elderly? Under current arrangements, the only social security system for most of the country's poor is their family. Scarcely any public or private pension funds operate in the remote rural areas where the overwhelming bulk of China's poor reside. In 2025, grandparents will by and large be the parents of the "One Child" era, so they will have few offspring to offer them shelter in old age. A small but significant group will have no surviving children. A fourth or more could have no surviving sons—thus finding themselves, under Chinese culture, in the unenviable position of depending on the largesse of their son-in-law's household, or, worse, competing for family resources against their son-in-law's parents.

By laboring so ferociously to avoid "overpopulation," Beijing has ensured that other, even more daunting, problems will emerge in the decades ahead.

Problem two will be declining manpower. Over the past generation, China's brisk economic growth has been partly due to an extraordinary increase in the work force. From 1975 to 1995, China's "working-age population" grew by over 50 percent (or nearly 300 million persons). In a final burst due to population increase, it will grow by over 12 million persons a year at the beginning of the 2000's. Then the growth of potential workers will abruptly brake. By around 2015, China's working-age group will have peaked at just under 1 billion. In 2025, it is projected to be about 10 million persons smaller than a decade earlier. Thereafter, the decline may accelerate, with the workforce shrinking by as many 70 million people over 15 years.

Having fewer workers may complicate China's quest for economic growth. Younger people tend to be better educated than their elders, and as they stream into a work force this increases its average skill. But China's demographic trends will slow down the improvement in education and skill-levels among the working-age population. Today, the rising cohort of 10- to 14-year-olds represents roughly a seventh of the country's working-age population. By 2015 it will be only a twelfth. This presages a sharp slowdown of education-based improvements in labor productivity.

China will not be the first country in the world to wrestle with an aging populace, or a shrinking workforce. But China's third major demographic challenge is unprecedented: a coming imbalance between men and women of marriageable age.

Beginning with the advent of the nation's "One Child" policy, Chinese sex ratios began a steady, and eerie, rise. By 1995, a Chinese sample census counted over 118 boys under the age of five for every 100 little girls. Part of this imbalance is a statistical artifact—the combination of strict government birth quotas and the strong Chinese preference for sons has caused some parents

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to hide or "undercount" their newborn daughters, so that they might try again for a boy. But the larger portion of the reported imbalance appears to be real—the consequence of sex-selective abortion and, to a lesser extent, female infanticide.

This tragic imbalance between boys and girls will mean a corresponding mismatch of prospective husbands and brides two decades hence. By Chinese tradition, virtually everyone able to marry does. But the arithmetic of these unnatural sex imbalances is unforgiving, implying that approximately one out of every six of the young men in this cohort must find a bride from outside of his age group—or fail to continue his family line.

In China's past, any problem of "excess" males was generally solved by the practice of marrying a younger bride, which worked well when each new generation was larger than the one before. But with today's low fertility, each new generation in China will typically be smaller than the one before. So if young men try to solve their marriage problem by pairing off with a younger woman, they will only intensify the "marriage crisis" facing men a few years their junior. Nor will searching abroad for a Chinese wife be very promising: By 2020, the surplus of China's twentysomething males will likely exceed the entire female population of Taiwan!

In early modern Europe, bachelorhood was an acceptable social role, and the incidence of never-married men was fairly high. In China, however, there is no such tradition. Unless it's swept by a truly radical change in cultural attitudes toward marriage over the next two decades, China is poised to experience an increasingly intense, perhaps desperate, competition among young men for the nation's limited supply of brides.

A 1997 essay in the journal *Beijing Luntan* predicted direly that "such sexual crimes as forced marriages, girls stolen for wives, bigamy, visiting prostitutes, rape, adultery…homosexuality…and weird sexual habits appear to be unavoidable." Though that sounds overly dramatic, the coming bride shortage is likely to create extraordinary social strains. A significant fraction of China's young men will have to be re-socialized to accept the idea of never marrying and forming their own family. That happens to be a condition in which men often exhibit elevated rates of crime and violence.

Many of China's young men may then be struck by a bitter irony: At a time when (in all likelihood) their country's wealth and power is greater than ever before, their own chances of establishing a family and comfortable future will look poor and worsening. Such a paradox could invite widespread disenchantment.

There is little any future Chinese government will be able to do to address this problem. China's involuntary bachelors will simply have to "handle punishment they have received as a result of...the mistakes of the previous generation," suggests the *Beijing Luntan*. How they will accept this remains to be seen—and it will bear directly on the character and behavior of the China that awaits us.

Nicholas Eberstadt is a visiting scholar at the American Enterprise Institute and a visiting fellow of the Harvard Center for Population and Development Studies.

BURSTEIN continued from page 48

> Stalin.... China today does not constitute such.... The best estimate of the number of political prisoners in China currently is 3,000. In a population of 1.3 billion, this amounts to 0.00023 percent, which is hardly the equivalent of the Gulag or Nazi concentration camps. Ironically, back in the early 1970s, when most Americans, liberals and realists alike, were enthusiastically applauding the U.S. opening to China, the Maoist regime *was* in the same league as the Hitlerite and Stalinist regimes.

While the human rights situation in China is not good today by American standards, it is not unlike that of Indonesia, India, or Saudi Arabia. Yet the United States is able to have normal relationships with these countries that are not overwhelmed by human rights concerns.

There is a deeper question here. Is attainment of Western-style democracy and respect for human rights an appropriate expectation for China? Neither China's leaders nor the vast majority of its people have so far set political democracy as a goal. They are clearly focused on achieving a higher standard of living, and mostly succeeding. Even within China's intelligentsia there are few democrats. Most Chinese are consumed with the national project of modernization and economic development, and see campaigns for political rights as a diversion, even criticizing them as impractical. A public opinion poll conducted on the eve of China's takeover of Hong Kong asked whether the takeover was desirable. While only 4 percent of Americans thought so, fully 62 percent of Hong Kong Chinese thought it was.

Stanford professor Henry Rowen argues that those who really believe in bringing democracy to China should hasten it with favorable U.S. trade policies—because social development and middle-class incomes will create the appetite for democracy in China. We agree.

MOST RISING POWERS IN MODERN HISTORY have been keen to extend their global reach. But China has little interest in global issues that don't have a specific bottom line for Chinese interests. Almost all of China's efforts to throw its weight around come when vital Chinese interests are perceived to be at stake close to home, such as in Taiwan or Tibet. "We are too busy with our own internal challenges to threaten other countries economically or militarily," says Zhang Haoruo, head of the powerful State Commission on Economic Restructuring. He adds, "I wish I could say our current agenda will take us only a few years to solve. But realistically, China will be occupied with its internal domestic reforms for half a century."

The huge and knotty problems China faces domestically will constrain her for decades. Bringing the vast peasantry out of its backwardness, modernizing the national infrastructure, moving the coastal prosperity inland—these are China's main goals at century's end. And that more than anything else makes it unlikely China will threaten anyone else.

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AMERICA:

Triumphant or Troubled?

A timely look back at the most famous critique of our contemporary society

Almost exactly 20 years ago—on June 8, 1978—the great Russian writer Aleksandr Solzhenitsyn, then living as an exile in Vermont, delivered an historic address at Harvard University. At a time when America was deeply mired in domestic and foreign problems, Solzhenitsyn presented a graduating class of future American leaders with a stern look at their society.

Two decades later, a spirit of triumph is sweeping America, flowing out of some remarkable mercantile and military successes. Yet beneath the surface, news events also offer sporadic glimpses of national moral corrosion.

With some extraordinarily mixed verdicts on the state of the American culture now in the air, we offer a look back at Solzhenitsyn's piercing commentary. Following it are current reflections from some close observers of both Solzhenitsyn and the U.S.

Ultimately, we leave it to you as readers to sift out the places where Solzhenitsyn underestimated America's vigor and self-healing powers, and those where he identified enduring menaces.

Excerpts from "A World Split Apart"

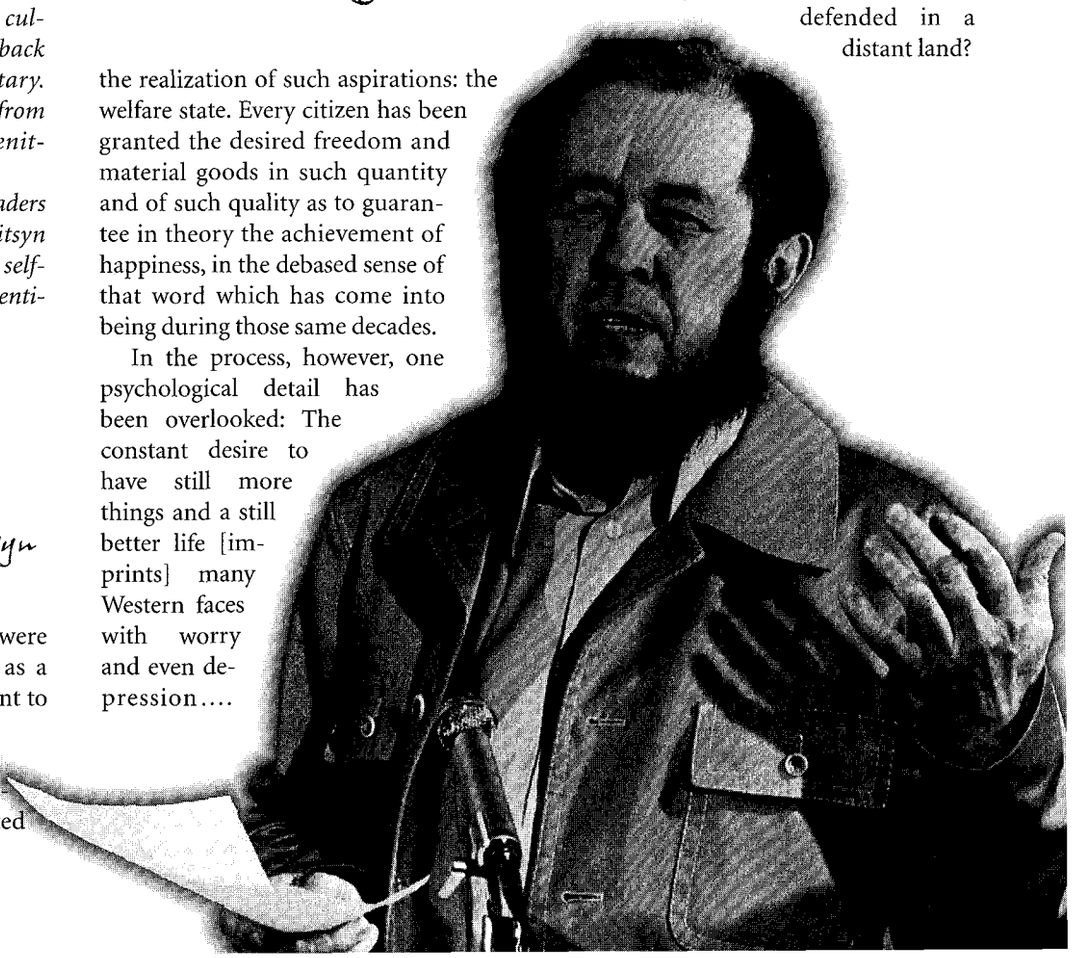
By Aleksandr I. Solzhenitsyn

Well-being

When the modern Western states were being formed, it was proclaimed as a principle that governments are meant to serve man and that man lives in order to be free and pursue happiness.... During past decades technical and social progress has permitted the realization of such aspirations: the welfare state. Every citizen has been granted the desired freedom and material goods in such quantity and of such quality as to guarantee in theory the achievement of happiness, in the debased sense of that word which has come into being during those same decades.

In the process, however, one psychological detail has been overlooked: The constant desire to have still more things and a still better life [imprints] many Western faces with worry and even depression....

The majority of the people have been granted well-being to an extent their fathers and grandfathers could not even dream about; it has become possible to raise young people according to these ideals, preparing them for and summoning them toward physical bloom, happiness, the possession of material goods, money, and leisure, toward an almost unlimited freedom in the choice of pleasures. So who should now renounce all this? Why and for the sake of what should one risk one's precious life in defense of the common good and particularly in the nebulous case when the security of one's nation must be defended in a distant land?



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Legalistic Life

...People in the West have acquired considerable skill in using, interpreting, and manipulating law (though laws tend to be too complicated for an average person to understand without the help of an expert). Every conflict is solved according to the letter of the law, and this is considered to be the ultimate solution. If one is right from a legal point of view, nothing more is required, nobody may mention that one could still not be entirely right, and urge self-restraint or a renunciation of these rights, call for sacrifice and selfless risk: This would simply sound absurd. Voluntary self-restraint is almost unheard of....

I have spent all my life under a Communist regime, and I will tell you that a society without any objective legal scale is a terrible one indeed. But a society with no other scale but the legal one is also less than worthy of man. A society based on the letter of the law and never reaching any higher fails to take advantage of the full range of human possibilities.... Whenever the tissue of life is woven of legalistic relationships, this creates an atmosphere of spiritual mediocrity that paralyzes man's noblest impulses....

The Direction of Freedom

Today's Western society has revealed the inequality between the freedom for good deeds and the freedom for evil deeds. A statesman who wants to achieve something important and highly constructive for his country has to move cautiously and even timidly; thousands of hasty (and irresponsible) critics cling to him at all times; he is constantly rebuffed by parliament and the press. He has to prove that his every step is well-founded and absolutely flawless. Indeed, an outstanding, truly great person who has unusual and unexpected initiatives in mind does not get any chance to assert himself; dozens of traps will be set for him from the beginning. Thus mediocrity triumphs under the guise of democratic restraints.

It is feasible and easy everywhere to undermine administrative power, and it has in fact been drastically weakened in all Western countries. The defense of individual rights has reached such extremes as to make society as a whole defenseless against certain individuals. It is time, in the West, to defend not so much human rights as human obligations.

On the other hand, destructive and irresponsible freedom has been granted boundless space. Society has turned out to have scarce defense against the abyss of human decadence, for example against the misuse of liberty for moral violence against young people, such as motion pictures full of pornography, crime, and horror. This is all considered to be part of freedom and to be counterbalanced, in theory, by the young people's right not to look and not to accept. Life organized legalistically has thus shown its inability to defend itself against the corrosion of evil.

And what shall we say about the dark realms of overt criminality? Legal limits (especially in the United States) are broad enough to encourage not only individual freedom but also some misuse of such freedom. The culprit can go unpunished or obtain undeserved leniency—all with the support of thousands of defenders in the society....

This tilt of freedom toward evil has come about gradually, but it evidently stems from a humanistic and benevolent concept according to which man—the master of this world—does not bear any evil within himself, and all the defects of life are caused by misguided social systems, which must therefore be corrected. Yet strangely enough, though the best social conditions have been achieved in the West, there still remains a great deal of crime....

The Direction of the Press

Hastiness and superficiality—these are the psychic diseases of the twentieth century, and more than anywhere else this is manifested in the press.... Such as it is, however, the press has become the greatest power within the Western countries, exceeding that of the legislature, the executive, and the judiciary. Yet one would like to ask: According to what law has it been elected and to whom is it responsible? ...Who has voted Western journalists into their positions of power, for how long, and with what prerogatives?

There is yet another surprise for someone coming from the totalitarian East with its rigorously unified press: One discovers a common trend of preferences within the Western press.... Unrestrained freedom exists for the press, but not for the readership, because newspapers mostly transmit in a forceful and emphatic way those opinions which do not too openly contradict their own....

A Fashion in Thinking

Without any censorship in the West, fashionable trends of thought and ideas are fastidiously separated from those that are not fashionable, and the latter, without ever being forbidden, have little chance of finding their way into periodicals or books or being heard in colleges. Your scholars are free in the legal sense, but they are hemmed in by the idols of the prevailing fad. There is no open violence, as in the East; however, a selection dictated by fashion and the need to accommodate mass standards frequently prevents the most independent-minded persons from contributing to public life and gives rise to dangerous herd instincts that block successful development. In America, I have received letters from highly intelligent persons—maybe a teacher in a faraway small college who could do much for the renewal and salvation of his country, but the country cannot hear him because the media will not provide him with a forum. This gives birth to strong mass prejudices....

Not a Model

I hope that no one present will suspect me of expressing my partial criticism of the Western system in order to suggest socialism as an alternative. No; with the experience of a country where socialism has been realized, I shall certainly not speak for such an alternative.... But should I be asked, instead, whether I would propose the West, such as it is today, as a model to my country, I would frankly have to answer negatively.

...If our society were to be transformed into yours, it would mean an improvement in certain aspects, but also a change for the worse on some particularly significant points. Of course, a soci-

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ety cannot remain in an abyss of lawlessness, as is the case in our country. But it is also demeaning for it to stay on such a soulless and smooth plane of legalism, as is the case in yours. After the suffering of decades of violence and oppression, the human soul longs for things higher, warmer, and purer than those offered by today's mass living habits, introduced as by a calling card by the revolting invasion of commercial advertising, by TV stupor, and by intolerable music.

All this is visible to numerous observers from all the worlds of our planet. The Western way of life is less and less likely to become the leading model.

There are telltale symptoms by which history gives warning to a threatened or perishing society. Such as, for instance, a decline of the arts or a lack of great statesmen. Indeed, sometimes the warnings are quite explicit and concrete. The center of your democracy and of your culture is left without electric power for a few hours only, and all of a sudden crowds of American citizens start looting and creating havoc. The smooth surface film must be very thin, then, the social system quite unstable and unhealthy.

But the fight for our planet, physical and spiritual, a fight of cosmic proportions, is not a vague matter of the future; it has already started. The forces of Evil have begun their decisive offensive. You can feel their pressure, yet your screens and publications are full of prescribed smiles and raised glasses. What is the joy about?

I have spent all my life under a Communist regime, and I will tell you that a society without any objective legal scale is a terrible one. But a society with no other scale but the legal one is also less than worthy of man.

—Aleksandr Solzhenitsyn

Humanism and Its Consequences

...The humanistic way of thinking, which has proclaimed itself our guide, did not admit the existence of intrinsic evil in man, nor did it see any task higher than the attainment of happiness on earth. It started modern Western civilization on the dangerous trend of worshipping man and his material needs. Everything beyond physical well-being and the accumulation of material goods, all other human requirements and characteristics of a subtler and higher nature, were left outside the area of attention of state and social systems, as if human life did not have any higher meaning. Thus gaps were left open for evil, and its drafts blow freely today. Mere freedom *per se* does not in the least solve all the problems of human life and even adds a number of new ones.

And yet in early democracies, as in American democracy at the time of its birth, all individual human rights were granted on the ground that man is God's creature. That is, freedom was given to the individual conditionally, in the assumption of his constant religious responsibility. Such was the heritage of the preceding 1,000 years. Two hundred or even 50 years ago, it would have seemed quite impossible, in America, that an individual be granted boundless freedom with no purpose, simply for the satisfaction of his whims. Subsequently, however, all such limitations were eroded everywhere in the West; a total emancipation occurred from the moral heritage of Christian centuries with their great reserves of mercy and sacrifice.... All the celebrated technological achievements of progress, including the conquest of outer space, do not redeem the twentieth century's moral poverty, which no one could have imagined even as late as the nineteenth century.

An Unexpected Kinship

As humanism in its development was becoming more and more materialistic, it also increasingly allowed its concepts to be used first by socialism and then by Communism. So that Karl Marx was able to say, in 1844, that "Communism is naturalized humanism."

This statement has proved to be not entirely unreasonable. One does see the same stones in the foundations of an eroded humanism and of any type of socialism: boundless materialism; freedom from religion and religious responsibility (which under Communist regimes attain the stage of anti-religious dictatorship); concentration on social structures with an allegedly scientific approach.... It is no accident that all of Communism's rhetorical vows revolve around Man (with a capital *M*) and his earthly happiness. At first glance it seems an ugly parallel: Common traits in the thinking and way of life of today's West and today's East? But such is the logic of materialistic development.

The interrelationship is such, moreover, that the current of materialism which is farthest to the left, and is hence the most consistent, always proves to be stronger, more attractive, and victorious. Humanism which has lost its Christian heritage cannot prevail in this competition. Thus during the past centuries and especially in recent decades, as the process became more acute, the alignment of forces was as follows: Liberalism was inevitably pushed aside by radicalism, radicalism had to surrender to socialism, and socialism could not stand up to Communism. The Communist regime in the East could endure and grow due to the enthusiastic support from an enormous number of Western intellectuals who (feeling the kinship!) refused to see Communism's crimes, and when they no longer could do so, they tried to justify these crimes. The problem persists: In our Eastern countries, Communism has suffered a complete ideological defeat; it is zero and less than zero. And yet Western intellectuals still look at it with considerable interest and empathy, and this is precisely what makes it so immensely difficult for the West to withstand the East.

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Before the Turn

...An autonomous, irreligious humanistic consciousness...has made man the measure of all things on earth—imperfect man, who is never free of pride, self-interest, envy, vanity, and dozens of other defects.... On the way from the Renaissance to our days we have enriched our experience, but we have lost the concept of a Supreme Complete Entity which used to restrain our passions and our irresponsibility. We have placed too much hope in politics and social reforms, only to find out that we were being deprived of our most precious possession: our spiritual life. It is trampled by the party mob in the East, by the commercial one in the West. This is the essence of the crisis: The split in the world is less terrifying than the similarity of the disease afflicting its main sections.

If, as claimed by humanism, man were born only to be happy, he would not be born to die. Since his body is doomed to death, his task on earth evidently must be more spiritual: not a total engrossment in everyday life, not the search for the best ways to obtain material goods and then their carefree consumption. It has to be the fulfillment of a permanent, earnest duty so that one's life journey may become above all an experience of moral growth: to leave life a better human being than one started it.... It is not possible that assessment of the President's performance should be reduced to the question of how much money one makes, or to the availability of gasoline. Only by the voluntary nurturing in ourselves of freely accepted and serene self-restraint can mankind rise above the world stream of materialism.

Closing

...We cannot avoid reassessing the fundamental definitions of human life and human society. Is it true that man is above everything? Is there no Superior Spirit above him? Is it right that man's life and society's activities should be ruled by material expansion above all? Is it permissible to promote such expansion to the detriment of our integral spiritual life?

If the world has not approached its end, it has reached a major watershed in history, equal in importance to the turn from the Middle Ages to the Renaissance. It will demand from us a spiritual blaze; we shall have to rise to a new height of vision, to a new level of life, where our physical nature will not be cursed, as in the Middle Ages, but even more importantly, our spiritual being will not be trampled upon, as in the Modern Era.

This ascension is similar to climbing onto the next anthropological stage. No one on Earth has any other way left but—upward.

Responses by:

Edward E. Ericson, Jr.

Are we creatures living under God's heaven or not? How one answers that question still largely determines how one reacts to Solzhenitsyn's address at Harvard. Solzhenitsyn gave a religious believer's historical rendering of the spiritual decline in the West. To ask which of his criticisms of American culture have been borne out by events risks obscuring that general purpose.

The world has gone through a great watershed in the past two decades. The Soviet Union is no more, thanks in no small part to Solzhenitsyn himself. At Harvard his audience dictated that he speak about the West, but elsewhere he had been predicting that the Soviet empire would collapse of inner rot, if only the West stood firm long enough. In large terms, the world today is closer to his hopes than the pre-Reagan world was. Certain details in this speech now sound dated, though if it's datedness you want, you should reread some of the anti-anti-Communist counterblasts the speech elicited. More striking is how well the speech holds up.

Maybe Dale Carnegie could have taught Solzhenitsyn a thing or two about how to win friends and influence people, but his goal was to help galvanize Western resolve. His means were like hitting the mule on the head with a board. He later admitted that, in his eagerness to get the West's attention, he sometimes overstated its weakness.

Today it is particularly hard to credit that "the Western way of life is less and less likely to become the leading model." America bestrides the globe invincible. Poor people everywhere want what our skyrocketing stock market provides us. They willingly seek our procedural democracy. In our good times, Solzhenitsyn sounds too apocalyptic.

On the other hand, some cultural phenomena in his laundry list remain all too familiar: intrusive advertising, TV stupor, intolerable music, readily available pornography, excessive litigation, uniform fashionable views among the media, declining courage among intellectual and ruling elites, amoral diplomacy, mediocrity in public life, more rights than obligations. Even if we grant that Solzhenitsyn underestimated some inner strengths of ours, all these vexations have intensified. And they illustrate his major contentions that materialism can shrink the soul and that libertarianism can pass into libertinism.

So anxieties continue to bubble just under the complacent surface of American life. Is it healthy for a people to tolerate immorality in high places for the sake of luxuriating in creature comforts? Are our elections impervious enough to manipulation? Is the sense of civic duty required to defend one's country—or even to vote—being inculcated into our children? For that matter, do the MTV-soaked young have the skills to read Solzhenitsyn's speech while vacationing in Cancun, or the historical perspective to appreciate its context? (Do adults?) How confident are we that, despite falling crime rates, we won't get looted if the lights go out again? As we export our electoral devices and our wealth-making ways, are we also exporting a soulless materialism? What will happen if boom goes bust?

The Harvard address remains relevant because it speaks to perennial needs of the human heart, needs that affluence cannot satiate. Pursuing private happiness does not produce the "higher meaning" our souls crave. Yet our elites dismiss such talk as the narrow political agenda of "social conservatism."

Solzhenitsyn urges the West to be more the West by reclaiming the spiri-

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tual virtues that made it pre-eminent. He reminds us of the "moral heritage of Christian centuries" which America's Founders remembered. He warns us of our weakening hold on that heritage as, from the Enlightenment on, both East and West took to "worshipping man and his material needs."

Solzhenitsyn admitted that when he got out into the American heartland, it was easier to be sanguine about the influence "an autonomous, irreligious humanistic consciousness" has on us. But about secular America, including Harvard, the question is not whether he was too pessimistic but whether he was too optimistic.

Edward E. Ericson, Jr., who is the "teacher in a faraway small college" referred to by Solzhenitsyn in his Harvard address, produced an abridged version of The Gulag Archipelago *in collaboration with its author.*

The Harvard address remains relevant because it speaks to perennial needs of the human heart, needs that affluence cannot satiate.

—Edward Ericson

John O'Sullivan

The past, wrote L. P. Hartley, is another country. We are all cold warriors now, Strobe Talbott striding arm in arm with Robert Conquest, differing only in the tactics we would have applied to bring down the Soviet Union. Yet surely there was a time when "cold warrior" was itself a dismissive epithet, when liberal opinion discouraged the use of terms like "captive nations" and "evil empire," when Margaret Thatcher was usually "strident" and Ronald Reagan invariably "bellicose."

Solzhenitsyn's Harvard lecture is a letter from that Abroad. His denunciation of Communism following his arrival from the Soviet Union had to be swallowed without complaint because of both his moral stature and his record of personal suffering. But when Solzhenitsyn turned his attention to the state of the West itself, he was quickly attacked as authoritarian, unfamiliar with democratic ways, extreme, and so on.

Yet reading the address two decades later, one is struck by how much of it was prophetically right, and how little seriously wrong, precisely because Solzhenitsyn was immune to the "mood" of the times. I caught two seriously questionable judgments, both of which I myself would have agreed with at the time. The first was that the West was suffering a permanent decline in courageous political leadership. True, courage is no longer held up as an ideal, as it was even as late as my own school days in the 1950s, and this fosters a cowardly society. But even as Solzhenitsyn spoke, both Reagan and Thatcher were in the wings.

The second judgment which looks questionable in retrospect is Solzhenitsyn's suggestion that human personality had weakened in the West while growing firmer and stronger in the East. Undoubtedly, some personalities in the East had grown steely under oppression—dissidents like Natan Sharanski, Vladimir Bukovsky, Yuri Orlov, Andrei Sakharov, and Solzhenitsyn himself. But one clear effect of Communism was to vacuum all decent human virtues out of most ordinary people, instilling only a desire for material advancement without effort, and leaving citizens wandering in a desert of nihilism. This human cost was concealed as long as the slaves of Communism had the freedom of the West to hope and fight for. But when the Soviets' coercion was removed, the ground was prepared for the coarse, brutal, materialistic, and sponging environment that is post-Soviet society. Hence the sour joke that the recent history of Russia is like that of a man who made a bad start in life by murdering his parents, soon sank to robbing people in the streets, declined further to gossiping and telling lies, and eventually was so lost to shame that he would sometimes enter a room without knocking first. With all their many faults—see below—most human personalities in the West are still more honest, efficient, and self-reliant than that.

Now look at how much Solzhenitsyn got right. He portrayed a West that was being destroyed by that most subtle of all enemies: its own comfort and well-being. In such circumstances, a society or a human being may be kept on the rails by one of two forces: either internal moral and religious restraints, or some external discipline like a competitive rivalry. The first discipline had been abandoned in the West, where many citizens ceased to believe in the traditional God, either reinterpreting Him as an all-indulgent Deity, or more honestly adopting a comfortable humanism that made no demands on its adherents.

Solzhenitsyn's complaint was an oversimplification; it described the moral state not of most Americans or even of most Europeans, but of the leading social classes on both continents (including the leadership of the mainline churches). Since then, a series of culture wars has broken out. But as those wars are still undecided, we cannot say that Solzhenitsyn was wrong.

On the disciplining value of an external rivalry, Solzhenitsyn looks more right now than he did then. Since the end of the Cold War it has become clear that that conflict helped keep us from the complete absorption in our own racial, sexual, and economic obsessions that has overtaken us since. America today sometimes looks like the gay community after its Stonewall revolt in 1969: With the threat of coercion removed, we are free to party.

And what a party! Oprah. Jerry Springer. Tabloid TV. The O. J. Simpson trial. The murder of Versace. And only slightly less violent—the *fashions* of Versace. In other words, we have a society dominated by the media, slavishly following fashion, and having only the law to guide us where our parents had cus-

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toms, virtues, the fear of their neighbors' opinion, and of course the fear of God. All this is soberly foreshadowed in Solzhenitsyn's essay. That is not the whole truth about America—which is also marked today by healthy developments like falling crime rates and more disciplined budgeting. But it is an important part of the truth.

Still more remarkable as prophecy are those passages in which Solzhenitsyn rebukes Western triumphalism: "the persisting blindness of superiority continues to hold the belief that all the vast regions of the planet should develop and mature to the level of contemporary Western systems." If triumphalism of this sort was muted then, it has become loud and boastful since the end of the Cold War. And it is potentially dangerous because it confuses human freedom with specifically Western (or American) institutions.

While people everywhere want to be free, they will use their freedom to shape their societies in their own image, not in ours. Over time, they may move in our direction as they learn more about our better selves through the mass media, education, the diffusion of cultures, travel, and so on—provided, of course, that we do not trample on their sensitivities by arrogance and by exporting our worse selves through the mass media, education, etc. These are not easy tasks. If we are to accomplish them successfully, Americans must learn to overcome what Solzhenitsyn calls "the Western incomprehension of other worlds." Either that—or build a bigger fleet.

John O'Sullivan, a former advisor to Margaret Thatcher, is editor-at-large of National Review.

Mark Steyn

I never met Aleksandr Solzhenitsyn, but we did have the same piano tuner. No big deal really, since the guy covers a vast swathe of the Upper Connecticut River Valley, where I perch on the New Hampshire bank, and where, on the Vermont side, Solzhenitsyn lived until his return to Russia in 1994. Since then, for celebrity tuning, my piano man has had to rely on the keyboards at Lebanon Opera House in Lebanon and Briggs Opera House in White River Junction, neither of which has seen an opera in decades but only various country/rock combos pumping out what Solzhenitsyn calls the "liquid manure" of Western culture.

What Solzhenitsyn never seems to notice, at least not in a Western context, is the resilience of the people.

—Mark Steyn

The important thing to remember about Solzhenitsyn's Harvard speech is that it was given by a Vermonter. So when, after being asked if he could recommend the West as a model for his country, he says, "I would frankly have to answer negatively," the reasonable response is, "Are you crazy, man? You live in Cavendish, Vermont, for Pete's sake!" Like most Granite Staters, I have fundamental differences with my Green Mountain neighbors over taxes, education, Ben and Jerry, and a zillion other issues. But compared to anywhere but New Hampshire—certainly compared to Mother Russia, Chechnya, Georgia, Romania—Vermont looks pretty good.

Alas, Solzhenitsyn is enough of a Soviet man that he seems to have absorbed the old Communist habit of discussing "the people" without the tedious bother of actually coming into contact with any of them. Real people—like his fellow townsfolk in Cavendish—are curiously absent from his speech. This helps to explain why, though everything he says is right in theory—indeed, his remarks about "TV stupor," press "superficiality," and "legalistic relationships," are unexceptional—yet here we still are, doing…O.K.

What Solzhenitsyn never seems to notice, at least not in a Western context, is the resilience of the people. Despite our descent into "the abyss of human decadence," the most popular forms of liquid manure in America are actually unchanged in their bourgeois sentimentality from a century ago: Today, "the people" enjoy Celine Dion singing the big ballad from *Titanic*, *The Bridges of Madison County*, "Touched by an Angel," and the like. The only difference is that, whereas a hundred years ago our betters told us to put down our parlor ballads and listen to Schubert, now they tell us we should be watching *Natural Born Killers* and *The People vs. Larry Flynt*. These films open to rave reviews and small loyal audiences in a handful of metropolitan fleshpots, but on general release across the country, they flop. When they come to Lebanon, New Hampshire, or Barre, Vermont, no one from Cavendish goes to see them. There is no commercial imperative to produce these films, only the dreary obsessions of our vulgarized elites.

Solzhenitsyn notes of Communism that "Western intellectuals still look at it with considerable interest and empathy, and this is precisely what makes it so immensely difficult for the West to withstand the East." The key word in that sentence is *intellectuals*—which is why, in democratic America, it proved immensely easy to withstand the East. Even in hippy-dippy Vermont, no avowed Communist could ever be elected as Cavendish Town Clerk or School Board Chairman.

"West" and "East" are, of course, generalizations. Within the "West" there are vast differences between Continental Europe and the English-speaking world—and even between the British Commonwealth and the United States. But you can't help but notice that those countries which attempt to insulate their peoples from rampant materialism and the barbarities of commercial culture are the ones sunk in the deepest slough of spiritual poverty. The obvious reason would seem to be that those societies which most regulate the media and consumer products tend to regulate everything else, too.

In my beloved but semi-socialist Quebec, for instance, the once-powerful Catholic Church has withered away in a generation, supplanted by the state. I spent this winter's lethal ice storm on

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both sides of the border, and the contrast was instructive: On Quebec radio stations, almost every caller moaned that "the government" wasn't doing enough; I never once heard that phrase on a northern New England station. Instead, stoic Yankee callers would offer to share generators, or dispense tips on how to use ice run-off to flush one's toilet.

Why did Solzhenitsyn never see anything outside his door that he could commend as "a model to my country"? Perhaps because he rarely peered outside his door. The most striking thing about Solzhenitsyn's place in Cavendish was the fence—not, as elsewhere, a low white picket, a decorative skirting for the clapboards and shingles. In an area where few lock their homes and many don't even have keys, Solzhenitsyn had a formal security fence. In the early days, it was assumed he feared a midnight wake-up call from rogue KGB agents. But as time went on, it became clear that he was as much concerned to keep Vermont out. If Solzhenitsyn had wanted something to put on the mantel alongside his Nobel Prize, he could easily have won an Ugliest House in Vermont competition. There is, in other words, more than one form of spiritual poverty.

For 18 years Solzhenitsyn endured a sort of self-imposed cabin fever, which the up-market essayists who sought him out in Cavendish dignified as "reclusiveness." Not far away in Stowe, there's another model of artistic exile—the Trapp Family Singers, refugees from the century's other great tyranny. They never made much money from *The Sound of Music*, but they run a popular ski lodge and Elisabeth von Trapp still sings every Christmas on WDEV radio. They at least understand the virtues of a culture secure in itself.

When Solzhenitsyn returned to Moscow, it was to a new dacha in a compound enclosed behind an eight-foot barrier, with the Moscow cable company supplying him with MTV, CNN, and all the other American TV he couldn't receive in uncabled Cavendish. Perhaps, behind his steel door in a toxic society far more spiritually enfeebled than America, he regrets his speech. Maybe he realizes that the best anyone could hope for is that Russia turns out half as agreeable as the Vermont he never quite lived in.

As we Westerners like to say, you wanna get outta the house more.

Mark Steyn is theater critic for The New Criterion *and movie critic for the London* Spectator.

John Lukacs

Solzhenitsyn in his celebrated Harvard speech was both right and wrong. I thought that when I first read it 20 years ago, and rereading it now I think that even more.

By "right and wrong" I am not assuming the cautious stance of someone sitting on the fence. What he said about the state of culture in the West, about the power of the press and of publicity and of the "media," about the shortcomings of intellectuals, about the corrupting extensions of lawyers' powers was right rather than wrong, and much of what he said about such matters in 1978 remains true today. Had he condensed his summary of the intellectual corruptions of the "West" even more, his philippic would have been even more stunning.

Stunning it is still. But then "stunning"—meaning something that both startles and deadens the senses—may be applicable to the following imaginary experience: Suppose that on a muggy spring afternoon we attend a boring and dishonest academic conference, or listen to speakers of Planned Parenthood, or to a neo-Marxist sociologist, or to someone from the American Civil Liberties Union. Bored to the gills, we wander across the street into a Russian Orthodox church where a full Easter Week liturgy is in course. Now we have walked into another world. The heavy clouds of incense, the black-bearded priests with their narrow blazing eyes, the roaring of the chants, the swelling organ and chorus of the believers—it is overpowering, and perhaps even uplifting. But, we do not know the language. This is the liturgy of a religion that is national and not universal; of a people who reject not only the cosmopolitanism of New York or London or Paris but, even more deeply, that of Rome; to whom the West, including 1,000 years of Western Christianity, is corrupting and alien.

I have been an admirer of Aleksandr Solzhenitsyn from the very beginning. Decades ago I wrote that his appearance and his writing within the Soviet Union were veritable miracles, portents of hope that may affect, indeed change, the very history of that vast monstrous empire. He was not only brave; he was right. Another—allied—element in his work that impressed me was his increasing preoccupation with history. When I read his *Gulag Archipelago*, I found not too much in it that struck me as new about the history of Soviet police rule and its dreadful institutions. But the fact that a novelist found it to be his primary task to reconstruct recent history, to remind his people of what had really happened was, in many ways, telling.

But in his Harvard address and, alas, in almost all of the books Solzhenitsyn wrote during his 16 years of exile in the United States, there was less and less of the new. Some of the Slavophile writers in the nineteenth century, and the great Russian thinkers Berdyayev and Solovyev in the twentieth century, wrote profound and prophetic books about the corruptions and weaknesses of bourgeois capitalist civilization in the West. Solzhenitsyn, at Harvard, did little more than repeat their themes, concentrating on the superficial manifestations of mass culture. And his great shortcoming—from which Berdyayev and Solovyev were largely exempt—was his contrasting the materialism of the West with the spirituality of the East. "A fact which cannot be disputed is the weakening of human personality in the West while in the East it has become firmer and stronger…we [in Eastern Europe] have been through a spiritual training far in advance of Western experience…have produced stronger, deeper, and more interesting personalities than those generated by standardized Western well-being."

Is that so? "The weakening of human personalities in the West," yes probably.

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But about the East his phrases amount to vacuous illusions, as the present personalities, the politics, and the social evolution of Russia today abundantly illustrate—alas.

"The ancient truth," Solzhenitsyn proclaimed at Harvard, "is that a kingdom, in this case our Earth, divided against itself cannot stand." Besides Solzhenitsyn, this was also proclaimed by such profound thinkers as Josef Goebbels, Joseph McCarthy, and Ronald Reagan (at least for a while). But the point is that the great divisions of mankind in the twentieth century were, and are, elsewhere. In 1989 the Soviets gave up—mostly because no one there believed in Communism any longer. To this, in a small but significant measure, Aleksandr Solzhenitsyn had indeed contributed.

There *was* a time when Solzhenitsyn had much—very much—to say. But like the Bourbons after Napoleon, Solzhenitsyn learned nothing and forgot nothing in the West. It now seems that Brezhnev and Co. were clever in letting him depart from Russia in 1974. *There* he may have had an ever greater role in opposing them, in bringing down the Soviet system. Alas, his 16 years in the United States did not do him much good. And now, returning to Russia, he has found few listeners.

Historian John Lukacs came to the United States from Hungary in 1946. His most recent book is A Thread of Years.

David Aikman

Shortly after he was forcibly exiled from the Soviet Union in 1974, Solzhenitsyn first astonished friends by predicting he would return to Russia in his own lifetime with his reputation restored, his books openly published, and any legal measures taken against him overturned. Solzhenitsyn was confident that Communism would ultimately collapse and enable him to return to his native land.

Of course, Solzhenitsyn was at the same time making dour public utterances on the poor moral and strategic condition of the West. He later admitted that his anxiety over the successes of Moscow's global proxies in Indochina and elsewhere had rendered him more pessimistic than was necessary. The West, after all, not only survived, but prevailed over the great empire of the East.

Solzhenitsyn may have been off the mark at Harvard in 1978 when he spoke of a "decline in courage" and a "loss of will" in Western political circles. He did not predict the emergence of Ronald Reagan—but then neither did many others. Yet his barbed observations on the hollowness of much of America's cultural and intellectual life were as ahead of his time as his prediction that he would return to Russia.

Where Solzhenitsyn may have been most ahead of his time was in skewering the litigious excesses of Americans. Abuses of legal processes were not a novelty in 1978, but the turning of major trials into TV spectator sports was not yet on the horizon. Lawyers as a whole are arguably less respected today in national life than ever before. It's not just the circus atmosphere of the O. J. Simpson trial or the lurid details of Lorena Bobbitt's knife-wielding. Rather, it is the suspicion among many Americans that the legal profession exists not so much to protect the rights of the common folk as to advance the cupidity of a handful. Even though Republicans swept into Congress in 1994 promising to rein in legal activism, no progress has been made. "Justice" in our legal system, many Americans believe, closely reflects which side has the highest-paid lawyers.

Yet Solzhenitsyn may have been overly pessimistic in his assumption that human nature's inherent wickedness would bring a progression of evil in our free society. The avarice of tobacco companies, after all, has not triumphed over rising alarm about the health costs of smoking. Some of the more foolish educational experiments of previous decades have been reversed by diligent parents. Many communities have worked hard to reduce the number of divorces in their midst. Some "corrosions of evil" have been neutralized.

Solzhenitsyn's most perceptive comments in 1978 were probably those directed against the media. At the time, most journalists deeply resented his criticism. Yet today many Americans have grown alarmed at the shallowness and sensationalism of American reporting. Even worse are our entertainment organs, where Solzhenitsyn's fulminations against "TV stupor" and "intolerable music" now seem prophetic.

What, finally, is one to make of Solzhenitsyn's bitter assaults on the "autonomous, irreligious, humanistic consciousness" of the West? It could be argued that humanism in its most aggressively secular form is on the wane. High school students can now again voluntarily gather round schoolyard flagstaffs for prayer. Hundreds of thousands of fervent American men prostrated themselves in repentance last year on our National Mall, and even the "humanistic" press took respectful notice. Concern to restore the nation's sense of decency and truthfulness in public life has grown stronger, rather than weaker, in the past two decades, with support even from some "humanistic" liberals.

This great experiment of a republic still has a long way to go to rediscover the moral self-confidence of its founders. But it seems to be on its way. If this turns out to be so, Solzhenitsyn will surely rejoice that in 1978 he underestimated us.

David Aikman is a former Time *correspondent and author of the new book* Great Souls, *which includes a chapter on Solzhenitsyn.*

Michael Novak

Perhaps it is a measure of Aleksandr Solzhenitsyn's insight that 20 years ago he anticipated such recent American works as William Bennett's tabulations of cultural decline, Robert Bork's *Slouching Towards Gomorrah*, and Senator Daniel Patrick Moynihan's "Declining Deviancy Down." He anticipated, as well, what many have begun to call the Fourth Great Awakening, for he wrote in his last sentence, "No one on Earth has any other way left but—upward."

It would be easy to point to the outcomes Solzhenitsyn did *not* predict,

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such as, within a dozen years of his address, the sudden disintegration of the Soviet empire. And it would also be easy, and fruitful, to sift through his criticisms of American moral culture for what was exactly on target and what, even though it had a point, did not quite hit the mark.

But I think it would be more fruitful to sift his words for the nuggets of gold often hidden within them. In many ways, America is still the least materialistic country on Earth, the most driven (sometimes to excess) by ideals and spiritual urges. Precisely because it attaches little importance to matter as matter, it is also the most ready to squander (as in war) acres upon acres of material things.

Nonetheless, some of America's most important cultural elites—many of its top scientists—frequently parade materialistic commitments. Nearly every month we are bemused by another major article by one of them telling us that human existence is entirely the result of blind and impersonal chance, and that the human mind is entirely explicable in terms of materialistic determinism. Our elites might just as well be dialectical materialists, like the Communists. Which is Solzhenitsyn's point.

Western humanism, Solzhenitsyn gently reminds us, once had a different source, not materialism, not chance. It certainly did for those 53 men who made themselves traitors to King George by signing their names to the Declaration of Independence. As witness to the purity of their consciences even as they violated their sacred oaths of allegiance, they pledged to each other their lives, their fortunes, and their sacred honor, and appealed to their supreme and undeceivable Judge, the Providence who rules the affairs of men.

Because the God they worshiped is free, and made them in His image, the Founders knew that they had awesome responsibilities for being provident about their own destinies, and would be judged for how well they had employed their liberties. They believed it was their nature to be free, responsible, and self-governing. As Noah Webster and many another wrote, Judaism and Christianity made them republicans: taught them their imperishable dignity, showed them that they were endowed with inalienable rights. What Judaism and Christianity taught was also supported by nature and natural reason. The twin paps of Scripture and reason nourished the children of liberty.

> How can a people incapable of self-government in their private lives succeed in practicing self-government in their public lives?
>
> —Michael Novak

In this understanding of liberty—in this branch of humanism—a citizen's autonomy is not atomic. Individuals do not make up their own laws, according to their own desires. In this understanding of liberty, autonomy is theonomy: At the center of the self is the presence of God. We carry within us our Creator and our Judge, our source and our final destination. To be one with God is to be more than we deserve to be, and yet have nonetheless been created to be. By contrast, to shut ourselves off from Him (which we are quite free to do) is to cut ourselves off infinitely and boringly short. This is, in fact, the very definition of Hell.

All this is implied when Solzhenitsyn describes the second humanism, the false one, that "autonomous, irreligious humanistic consciousness" that "has made man the measure of all things on earth—imperfect man, who is never free of pride, self-interest, envy, vanity, and dozens of other defects." The many such defects in religious bodies are certainly visible to irreligious humanists. Solzhenitsyn would like them to see similar defects in themselves, in human nature wherever it is found.

Against religious people, irreligious humanists make a strong case, but they tend to let themselves off easy, and to seize credit for everything good in the West. They see themselves as Light beating back the Dark, the Enlightenment dispelling the Dark Ages. This is the myopia Solzhenitsyn is trying to pierce. He hopes those who suffer from it might try looking at the world in a different way, if only as an experiment.

To be theocentric—a term the biographer of his religious life uses of Jefferson—is not to lose one's freedom. As Jefferson wrote: "The God who gave us life gave us liberty at the same time." To be theocentric is not to lose one's autonomy. It is to find it infinitely enriched by its Source and its End. It is to see its meaning and its point. It is to gain a vocation to become far greater, larger, and more generous than we had before imagined. It is also to be reminded to become self-governing—governing our own passions, ignorance, interests, and inclinations, rather than being enslaved by them. For how can a people incapable of self-government in their private lives succeed in practicing self-government in their public lives?

On one central point, however, Solzhenitsyn is wrong. He writes too glibly that the West believes that humans have the right to "be" happy. Some superficial minds may believe that. But in America at least, our "creed," our Declaration, commits us only to the right to "pursue" happiness, and that is a different matter altogether.

To pursue happiness is consistent with the sense of a pilgrim people wandering in the desert toward that place where they might build "the City on a Hill," in search of the infinite things of God, where the deer drink from the cool waters.

To seek to build such a City is what it means, even amid the ruins and in a desolate time, to have no "other way left but—upward."

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How to Stop Mass Shootings

By John R. Lott, Jr.

Parents escort their children to Westside Middle School in Jonesboro, Arkansas, for their first full day of classes after the March shooting.

AP/Wide World Photos

The rash of public shootings America has been suffering recalls killings that took place in earlier decades in Israel. Over and over, groups of innocent victims were killed in terrorist machine-gun attacks. Police were rarely in the right place to stop them. Then Israel found a way to make such shootings extremely rare: permit law-abiding citizens to carry handguns.

The tragic deaths of seven Israeli girls last year on a Jordanian island proves the point. As the *Los Angeles Times* noted, the Israeli chaperones travelling with the girls had "complied with Jordanian requests to leave their weapons behind when they entered the border enclave. Otherwise, they might have been able to stop the shooting, several parents said."

By contrast, when three terrorists in Jerusalem tried to machine-gun a crowd in 1984, they managed to kill only one victim before being shot down by handgun-wielding citizens around them. Israeli criminologist Abraham Tennenbaum reports that when the surviving terrorist was interviewed by the press, he "complained that his group had not realized that Israeli citizens were armed," and so the group's plan to "machine-gun a succession of crowd spots...before the police or army could arrive" failed.

In America, mass public shootings rightly leave us shocked and appalled. On the surface, they seem to present a strong argument for restricting private gun ownership. But the truth is, guns wielded by private citizens have saved lives in such incidents, including some of the most recent ones. Recall the Pearl, Mississippi school shooting last October. When the firing began, the assistant principal ran to his car, got his gun, and subdued the shooter, ordering him to the ground four-and-a-half minutes before the police arrived. God only knows how many other deaths might have occurred if he hadn't been armed.

Similarly, in this April's Edinboro, Pennsylvania shooting at a school dance, which left one teacher dead, 14-year-old Andrew Wurst was stopped only after banquet hall-owner James Strand pointed a shotgun at him when he started to reload his gun. Strand "coaxed" him into dropping his gun and surrendering peacefully. The police did not arrive for another ten minutes.

Of course, more than a few case histories will be needed to resolve the debate over how best to prevent mass killings. That's why my colleague William Landes and I made a careful statistical study of all the multiple-victim public shootings in the U.S. from 1977 to 1995. We included every incident where at least two people were killed or injured in a public place. To focus on the sorts of rampages like the Oregon school shootings or the Long Island Railroad massacre recently dramatized for TV by Barbra Streisand, we excluded gang wars, organized crime "hits," or shootings that were a by-product of other crimes like robberies or drug dealing.

The results of this study were the starkest and most surprising I've ever encountered in a lifetime of research: When states enacted death penalty laws, we observed no effect on mass shootings. When states succeeded in raising their arrest rates for murder, there was no effect. When states required a waiting period before a gun may be purchased, or lengthened their existing waiting periods, there was absolutely no effect.

Only enactment of one type of law correlated with a significant drop in multiple killings: a so-called "shall-issue" gun law. This type of law dictates that if a citizen meets certain objective criteria—for instance, an age requirement, no history of crime or mental illness, sometimes a training requirement—then he

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shall be issued a permit to carry a concealed handgun if he applies for one.

The empirical history in states that adopted such a law is astonishing. In states where data are available before and after the passage of shall-issue laws, the death rate from mass shootings absolutely plummets, as the nearby graph shows. Some potential shooters are deterred from attempting massacres, and those who do try are often stopped before they can do as much harm as they would have without armed citizens acting in self-defense.

Since mass public shootings are still relatively uncommon compared to other offenses, my colleague and I have also performed a much more comprehensive study of violent crime. We analyzed the FBI's crime data for all 3,054 counties in the United States from 1977 to 1994, examining a large variety of gun laws, such as waiting periods and background checks, as well as other methods of deterrence like the death penalty.

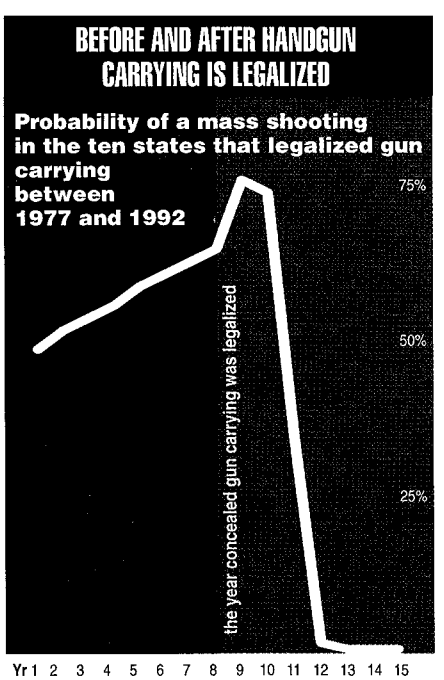
Our exhaustive analysis of the data found the same pattern for other violent crimes as we found for mass public shootings. Waiting-period gun laws like the Brady bill did no discernible good in reducing violent acts, nor did background check requirements and other old-fashioned gun-control laws. Even increasing penalties for using a gun to commit a crime had only a small benefit.

Permitting *non-criminals* to carry guns, however, put big dents in violent crime rates across the country. Five years after jurisdictions had legalized handgun carrying, murders declined by an average of 15 percent, rapes by 9 percent, and robberies by 11 percent (*after* factoring out other influences like improved arrest rates). I estimate that if those states without right-to-carry laws had adopted such legislation in 1992, about 1,500 Americans now dead would have lived, and 4,000 women would have avoided rapes.

Even better, when shall-issue laws are passed, the benefits of self-defense accrue disproportionately to those groups most in need of relief. One additional woman carrying a concealed handgun, for example, reduces the female murder rate three to four times more than an additional man arming himself reduces the murder rate for men. And urban areas—currently suffering from the most restrictive gun controls—are the very places that have benefited most after shall-issue laws pass. Better still, reductions have been greatest in those urban areas with the highest crime rates, the largest and most dense populations, and the greatest concentration of minorities. And of course, shall-issue laws achieve their dramatic crime-fighting effect at very little cost to the taxpayer.

Given all these crime-reduction benefits, most Americans would probably be willing to accept small rises in gun accidents and suicides if those were side effects of more legal concealed gun-carrying. But fortunately, those negative trade-offs don't happen. Our research found no evidence that the increased availability of guns brought any of the states involved an increase in suicides or accidents with guns. Indeed, permit-holders have proven extremely law-abiding—I have found no case where someone with a concealed-carry permit was convicted of murder using his gun, and the number of permit-holders who have had their permits revoked for any reason whatsoever is in the hundredths of 1 percent.

In state legislative hearings, the most commonly raised fears have been that armed citizens will accidentally shoot a police officer, or that they will attack each other in the heat of the moment following car accidents. These fears have proven unfounded. Although 31 states have shall-issue laws, some decades old, there is only one recorded incident of a permitted concealed handgun being used in a shooting following a traffic accident, and a court found the permit-holder had acted in self-defense. Also, no permit-holder has ever shot a police officer, while many officers have had their lives saved by an armed permit-holder.



Source: John R. Lott, Jr. *More Guns, Less Crime.*

The media understandably play up graphic gun attacks by outlaws. They can't easily show us the vastly more common cases—numbering in the hundreds of thousands to millions each year—where law-abiding citizens brandish a gun and cause criminals to flee (as they do 98 percent of the time).

But why do the press usually ignore cases where private men and women use their guns defensively to stop a potential massacre? Just last fall, for example, in Jacksonville, Florida, someone pulled out a gun in a restaurant, demanded money, and the cashier collapsed to the floor, frozen. The criminal said, "I'm going to count to ten. If the cash register isn't open, I'm going to start shooting people." When the criminal got to "eight," two people in the restaurant with concealed-handgun permits stood up and shot him. Their brave self-defense barely made the local news. Yet if the criminal had shot people in the restaurant, it would have been national news.

The media preach helplessness in the face of crime. But in fact innocent citizens need not be passively victimized. There is overwhelming evidence that permitting law-abiding citizens to carry concealed handguns will bring stark reductions in mass murders and other violent crimes.

Obviously, bad things can happen with guns, but guns can also prevent bad things from happening. Police are an important deterrent to crime, but they cannot be everywhere. Without permitting citizens to own guns, we risk leaving many victims as sitting ducks.

John R. Lott, Jr., former chief economist at the U.S. Sentencing Commission, teaches at the University of Chicago Law School and is the author of More Guns, Less Crime.

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How the Government Killed Affordable Housing

By John O. Norquist

Federal intervention in housing has been a disaster for cities and the people who live in them. After a succession of fiascos associated with attempts to eradicate slums, build housing for the poor, and pursue other seemingly noble goals, it should be obvious that government efforts often make urban conditions worse rather than better. Not every government effort is destined to fail. In Milwaukee, where I serve as mayor, we have achieved success with some housing endeavors. But the efforts that have brought genuine benefits have usually been *locally initiated* and have tried simply to help the private market work better, rather than assuming that a bureaucracy can competently build or operate the places that people call home.

The sorry consequences of federal involvement in housing can be seen in the decline of low-cost housing. Up to the 1950s, American cities offered people without much money a variety of choices in shelter. Not all of that housing was pretty or spacious. But the options were numerous, and included walk-ups, apartments over stores, triplexes, duplexes, single-family houses, apartments over garages, flats in back, boardinghouses, tenements, low-rent hotels, and row houses.

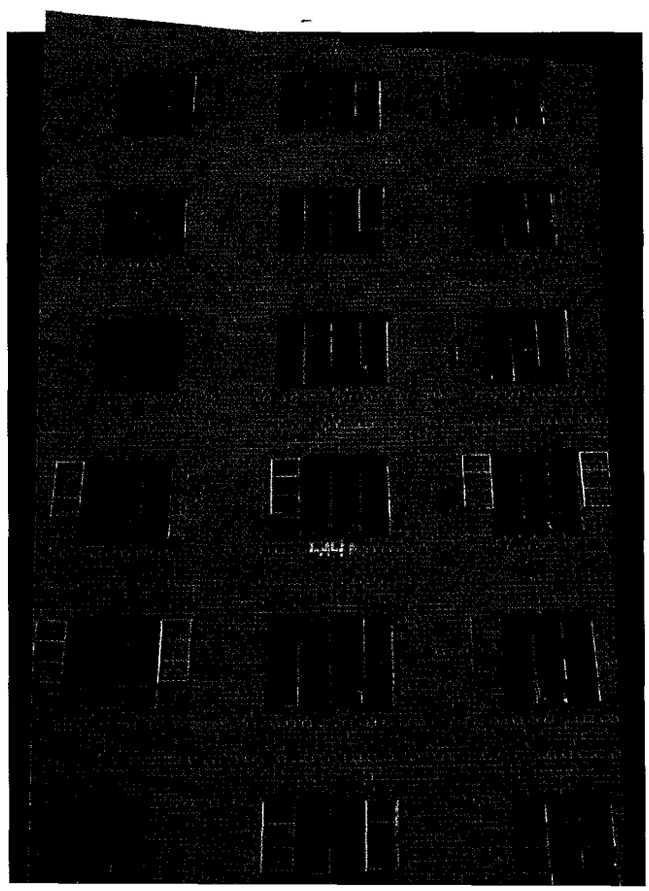
Many of the customers for these places were immigrants, most of whom eventually moved on to something much better. Though much of this housing fell short of today's standards, it allowed people to save their money while still being sheltered in an urban setting.

Efficient, low-income housing grew organically in cities. For instance, at the turn of the century it was common for people to live above the shops on a commercial street. Tenants attracted to these apartments worked in the establishments below or on streets nearby. Sometimes the apartments above shops were occupied by the shop owners themselves.

In Milwaukee, German and Polish immigrants with peasant backgrounds placed an extremely high value on home ownership. Their self-denial and inventiveness is demonstrated by the "Polish flat."

The Polish flat was a modest three- or four-room cottage built with the first money these immigrants saved. As the mortgage was paid off, the owner of the cottage typically would raise it on posts four or five feet high in order to construct a semi-basement living space, with a separate entrance, below. Sometimes this space was occupied by newly arrived, income-earning members of the owner's family or extended family; sometimes it was let to boarders. As soon as additional income allowed, the timbers in the basement were replaced by brick walls. Rooms were added to the upper floor. Sometimes cottages were lifted off their foundations and rolled through the neighborhood to be joined to the homes of their kin. You could tell the Polish families that had made it in Milwaukee—they no longer used the basement for income, and had converted their duplex to a single-family house.

In Milwaukee and other big cities, there were sometimes gaps in the urban housing market. The incredibly rapid urbanization of the United States during the industrial revolution caused the gears of the housing market to grind painfully at times in an effort to keep up, particularly in the major destination of immigrants, New York City.



Joseph Sohm; ChromoSohm Inc./Corbis

In 1890, muckraking journalist Jacob Riis produced *How the Other Half Lives,* documenting the unhealthy living conditions in some of New York's tenements. Riis's book focused public attention on real problems, resulting in valuable improvements in immunization programs and water, sewer, and sanitation services. But a detrimental consequence of the book was the vilification of such urban housing forms as New York's tenements and Boston's triplexes.

Reformers spread the notion of a housing shortage, claiming that the market had failed. New York, Chicago, and other cities

John Norquist, a Democrat, is the mayor of Milwaukee. This is adapted from his book The Wealth of Cities: Revitalizing the Centers of American Life.

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began to create public housing, at first paying for it themselves. Cities built only what they could afford, and thus built to a human scale. In 1920 in Milwaukee, money was appropriated for cooperative home building, which consisted of two- or three-story apartment buildings. These buildings had an institutional look, but unlike later federally funded housing many of these buildings are still in service and attractive to tenants.

While cities tried to patch perceived housing gaps, state and federal bureaucrats and planners began to damn the urban neighborhoods that were playing such a valuable role in assimilating immigrants and low-income citizens. Of the poor but marvelously functional and upwardly mobile Polish neighborhoods of Milwaukee, one state health official said:

> "The 12th and 14th wards are more than any others the regions of the modern cave dwellers....The basements are occupied from choice and long fixed habit, as well as, in some cases, to reduce the cost of living. In many cases well-to-do owners of the property are found living in the basement when the first floor rooms are vacant. The only excuse for such living is ignorance.... In fact, the basement has a musty, sour, human smell that they like."

Such prejudice fueled many state and federal improvement programs for cities. The exalted ideals of reformers crushed the humble dreams of the immigrants. "Lot coverage restrictions gradually eliminated new construction of the rear house and the Polish Flat," report researchers Judith Kenny and Thomas Hubka. As a consequence, home ownership became more difficult.

In 1930, the Hoover administration developed a model zoning ordinance that emphasized separation of houses from commercial and industrial activity. This was a response to some legitimate concerns raised by people living near noxious factories, stockyards, and rendering plants. But the result is the familiar pattern we see today in suburbs—offices in one parking pod, retail in another, light industrial in another, and housing on cul-de-sacs, isolated from everything. Neighborhoods have no corner stores or anything else within walking distance, except identical housing. Nearly overnight, with the widespread adoption of these codes, the corner store with living space overhead ceased to be built in the United States. Main Street, with its mixed uses and pedestrian orientation, became a historical rather than contemporary form.

Separated, single-use zoning hurts U.S. cities. If governments would get rid of some of their prohibitions on combining commercial and residential uses, developers could build low-cost housing on top of venues like video stores, supermarkets, fast-food outlets, or drugstores. Developers will respond, as they have in Japan, Western Europe, and Canada as well as a few U.S. cities like Charleston, South Carolina, and San Francisco.

In 1937, as part of the New Deal, Congress established the United States Housing Authority to create more public housing. Most of it was two-story and three-story construction, widely scattered. Early public housing simply shadowed the natural housing market, supplementing a market disrupted by depression and then war. By 1950 federal public housing—intended to be a temporary program during a time of economic distress—had outlived its usefulness. The small federal bureaucracy could have been easily dismantled. Instead, aided by Congress, it looked for and found a new clientele.

Housing bureaucrats adopted the migration of poor African Americans to big cities as a cause. Before the gears of urban housing markets could click into place, giving low-income blacks housing strategies like immigrants before them, the federal government jumped in with sterile high-rises, separated from the urban fabric by lawns and parking lots.

This resulted in such infamous projects as Pruitt-Igoe in St. Louis, where 12,000 African Americans with incomes at or below poverty level were warehoused in a high-rise apartment complex and expected to create a community. They didn't. Pruitt-Igoe, Robert Taylor Homes in Chicago, and scores of similar projects were complete disasters.

From coast to coast, cities used federal urban-renewal grants and, later, Urban Development Action Grants to eliminate the blight of low-cost hotels and apartments. Removing blight really meant putting people without means on the streets and onto government dependence. After World War II, journalist Pete Hamill rented a one-room apartment in New York for $8 a month, which, even in today's inflated dollars, would be a low outlay, about $100. That kind of opportunity was available in U.S. cities before urban renewal removed it. By tearing down low-cost housing, the government forced private providers out of the low-end housing market, thus creating both a permanent public-housing clientele and, eventually, homelessness.

After much of the low-cost housing had been destroyed, the federal government began a single-room-occupancy program to increase the supply of one-person dwellings. For nearly 200 years the market had produced low-cost housing in a variety of forms, shapes, and sizes. Now the only low-cost housing is produced by the government. And considering the tax subsidies involved, it is not low-cost.

What's wrong with federally funded public housing other than poor targeting, poor design, poor management, and periodic scandal? Just one thing: It's not needed. The United States does not have a housing shortage. Rather, it has a distorted housing market. The federal government, by focusing on below-market public housing in city neighborhoods, has smothered market mechanisms that would attract private-sector investment. This has made it easy for lenders to "redline" those neighborhoods. In his book *HUD Scandals,* Irving Welfeld points out how illogical it is to have the government build "affordable housing": "If the poor cannot afford food, we earmark assistance and give them food stamps. We don't create farms that grow only 'affordable food' or build 'affordable food' supermarkets where only the poor can shop."

The housing problems of cities have been aggravated by government agencies like the Federal Housing Authority (FHA), which has insured almost $200

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billion in mortgage loans for detached, single-family, new construction. The FHA diverted capital from the urban housing market by focusing almost exclusively on new single-family homes in the suburbs.

And for most of its existence, the FHA has been unnecessary. Mortgage insurance has been widely available in the private market since the mid-1950s. Yet the private companies providing it have to compete every day with the federal government.

The federal Department of Housing and Urban Development (HUD) is another problem agency. It has 11,000 full-time employees (that's more than 100 federal bureaucrats for every central city in the U.S.). It administers dozens of programs that add billions of dollars to the national debt each year. And most of these programs aim to solve problems that have actually been created by government.

Congress hasn't helped in any of this. Over the years it has directed housing programs to sprint one way, stop, turn around, and sprint the other way. Until 1949 low- and middle-income workers were public housing's clients. For the next 25 years policies wavered back and forth, but gradually excluded all wage-earners except those with the lowest incomes. In the mid-1970s Congress "tried to turn the clock back to the good old days" and appeal to a broader range of incomes. Not surprisingly, it was too late to induce "role-model" families to live in what had become shabby, crime-ridden projects. In the 1980s the tide turned back to providing services only for people with the very lowest incomes.

After high-rise projects failed miserably as family housing, local housing authorities began to convert them to elderly housing. In Milwaukee, these changes were working well. In the 1970s, however, HUD told local housing authorities that the agency's rules required that elderly people live with people with disabilities. Under HUD's rules, however, *disabled* included people with drug or alcohol addictions. Often these people had criminal records. Not only did they have to be housed in the same buildings with elderly people; it required placing them *on the same floors*. A conspiracy theorist might think this was a calculated attempt to drive law-abiding citizens out of federally subsidized housing in order to turn it into an extension of the crowded federal prison system.

As a state senator in 1987, I visited a high-rise housing unit on the west side of Milwaukee. The elderly residents cried as they pleaded with me to help get the drug addicts and criminals off their floors. I told Milwaukee Congressman Gerald Kleczka I wanted the law changed. After continued pressure from Kleczka and from Wisconsin's U.S. Senators, and over the opposition of HUD bureaucrats and advocacy-group extremists, the rules were finally changed years later, during the Clinton administration.

Private landlords still provide most of the low-cost housing in the United States, and much of what they supply is in pretty good shape. Some is not. That's where building-code enforcement has traditionally stepped in. Court-enforced penalties may be the only way to deal with genuine slumlords. But experience has taught our Milwaukee building inspectors that people who own and manage residential property may perform poorly simply because they don't know better.

Milwaukee's inspectors were using up valuable time chasing the same code violators who were renting to the same bad tenants over and over. Then deputy building inspector Marty Collins had the idea for the Landlord Training Program, in which building inspectors teach landlords how legally to screen against bad tenants—those with a history of damaging property, engaging in criminal activity, or not paying the rent. The inspectors also teach that well-kept property attracts reliable tenants. The program provides tips to landlords on how to comply more easily with code requirements. Equally important, the program gives building inspectors an opportunity to learn from landlords.

More than 30 percent of Milwaukee's landlords have completed the program. Code violations among those who have received training are down substantially. Also, landlords are helping the police reduce illegal drug use and related crime.

Milwaukee's building inspectors, police, and neighborhood groups together devised the Drug Abatement Program which encourages landlords to evict suspected drug sellers immediately, even if this means passing up the opportunity to stage a big drug raid. Why? Because people, especially children, who live near a suspected drug house need quick relief from the threat to their lives and property. As soon as drug activity is suspected, the landlord is informed and asked to evict. Police monitor the suspects if they move to another location in Milwaukee. Statistical review shows that drug sellers generally stop after being confronted; they know that the police and that cooperating landlords have them on watch lists.

People already living in public housing should be allowed to stay as long as they follow the rules. But the federal government should stop producing new public housing. Over time, the private market can produce low-cost housing much more efficiently. The presence of public housing, both through its buildings and through rent subsidies, distorts the low-cost housing market by chasing away private investors and raising rents.

The federal government should also reduce its mortgage subsidies, whether they are made through the Federal National Mortgage Agency, the FHA, or the mortgage-interest tax deduction. In 1994, income earners in the top 20 percent received $63 billion in housing subsidies; those in the bottom 20 percent received $18.7 billion, and the middle 60 percent received $21.9 billion. The current mortgage interest deduction could be capped at the level of interest required to finance a half-million-dollar home. Over time, as housing prices increase, the deduction would have a decreasing impact on housing decisions.

There are many bad policies that need to be discontinued and bad habits that must be broken. If we heed the lessons from this century's experience with housing problems and urban deterioration, we can make stronger, healthier cities which will work better for everyone, including people of modest means.

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In Real Life

FIRST-PERSON AMERICA

TEENAGE ANGST

By Blake Hurst

WESTBORO, MISSOURI—State Senator Sam Graves has introduced a bill in the Missouri legislature to do away with our system of annual vehicle inspections. Sam argues that less than half of the states now have vehicle inspections, and statistics show that the accident rate in those states without inspections is no worse than those where inspections are still mandatory. He points out that only two percent of all accidents are caused by faulty equipment.

Sam is a good friend, but this time I hope his bill doesn't pass. My libertarian impulses agree with Sam, but you see I have two daughters: ages 19 and 17. Sam's daughters, on the other hand, are 8 and 2. When Sam has adolescent males roaring into his driveway at all hours of the day and night to visit and, God forbid, drive off with his precious Megan or Emily, he'll begin to lose some of those libertarian urges. Now that my daughters attract multitudes of worn-out pickups steered by inexperienced drivers, I believe that inspections should be carried out *monthly*. I also favor random checks of tie rods, seat belts, king pins, and brake pads on each and every Saturday night.

When prom night comes for Sam in the year 2007, he'll spend a sleepless night thinking about turn signals and bald tires. (He'll also worry about other things, which is why our house groans under the weight of numerous books by Bill Bennett, required reading for all who live under my roof and eat my food.)

The first time I met my wife's parents I was stopped in the driveway with the hood up on my car, adding oil. While I was busy visiting with her folks, at least three different vital fluids were dripping out of my old wreck. Julie's parents, always gracious, kept whatever doubts they might have had to themselves, but 20 years later, I'm not handling things nearly as well. My eldest daughter's latest beau is clean cut and drives a new pickup, but I'm wondering if he ignores recall notices.

Whenever I read a piece in a magazine making a libertarian argument on a social issue, I'm always sure of one thing: The author has no daughters. Recently, I drove my daughter to Kansas City and waited in the parking lot while she and a friend attended a concert. As I watched several thousand adolescents stumble by my car, dropping enough aluminum beer cans in their wake to build an airliner and using language that made me blush, my adolescent flirtation with Ayn Rand was only a distant and not-so-fond memory. Personal freedom is a fine thing, but not for those who have any contact whatsoever with my two personal hostages to fortune.

Sam's bill died before the end of the last session, but an amended version, calling for inspections bi-annually, has passed the Senate this year and is bogged down in the House. It's final disposition is unclear, but since the state and thousands of repair shops share in $42 million of fees annually, and another $35 million is spent repairing problems found in inspections, Sam is likely to lose this session as well.

Of course, I'm sure to lose as well. As much as I would like the girls never to venture away from home except to return copies of Jane Austen to the library, life doesn't work that way. It is a temptation to think that we can live apart from the world in our rural community, but that isn't possible. I guess I wouldn't have it any other way. But I'm not having much fun. My daughters are adults, or nearly so, and neither their mother nor I, nor any laws that the Missouri legislature can pass, can protect them from the dangers that lie ahead. My mother, whose faith I envy, reassures me often by quoting Proverbs: "Train up a child in the way he should go, and when he is old he will not depart from it."

WHENEVER I READ A PIECE IN A MAGAZINE MAKING A LIBERTARIAN ARGUMENT ON A SOCIAL ISSUE, I'M ALWAYS SURE OF ONE THING: THE AUTHOR HAS NO DAUGHTERS.

A fine sentiment, but it really isn't my daughters' training that I'm worried about. If my recent parking lot exposure to my daughters' peers is any indication, they aren't spending much time reading Proverbs or Bill Bennett. And my mother's faith, admirable as it is, couldn't insulate her from worries caused by my own adolescence. Within 12 months of the day the State of Missouri awarded me a driver's license, her hair turned white.

Blake Hurst is a regular contributor to The American Enterprise.

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YARDMEN

By Dale Anema

LITTLETON, COLORADO—My work as a field mineral landman and retail site locator the past 20 years has taken me to all 48 continental states, and I generally get about a quarter-million miles out of my cars. So I've spent a fair amount of time in junkyards.

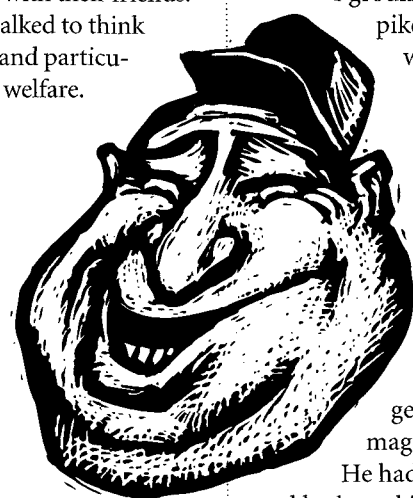
Most junkyards offer the options of either searching the boneyard for the needed part and using your own tools to extract it, or having a "yardman" locate and extract the part—which costs about twice as much, but still about a fifth of a new one. Since I don't travel with a full complement of tools, I generally opt for the yardman. Typically we climb into a partially gutted yard car and bounce around the yard looking for the elusive part.

Most yardmen have visited more than one tattoo parlor and haven't had extensive bridge work, but are good-natured and kind while plying their craft. Parts that break usually have an inherent weakness and are in great demand; it often takes ingenuity to find a suitable replacement part, which occasionally is a different shape and size than the original. Sometimes the yardman consults the parts manual to see which years of which vehicles might contain a useable part, but a good yardman uses the manual only as a tool and not the final word. Manuals often don't list all suitable parts, and those listed sometimes won't fit. When a yardman points at a part and says, "That don't look right" or "That should work if you waller off the back side," I have come to accept it as gospel.

Yardmen have little formal education, are not articulate, and make not much more than minimum wage, but they won't last long as yardmen unless they have exceptionally strong constitutions and a good deal of common sense. Many of them limp or walk stooped over as a result of injuries and of lying askew on rough ground in all kinds of weather. Many have had brushes with the law over the years.

They drive old cars, live in trailers or similarly cheap housing, drink in rough beer bars, dress shabbily, and the women available to them usually aren't the best looking or brightest. But most seem to have a certain quiet pride and inner peace. When I spend time with them I always think of nineteenth-century cowboys or Janis Joplin's "freedom's just another word for nothing left to lose."

They talk and joke unabashedly. I've never heard one make excuses for his life or claim victim status. Instead, they do their jobs, go to their humble homes, drink beer, and laugh with their friends. Most of those I have talked to think welfare is destructive and particularly resent corporate welfare.



YARDMEN HAVE LITTLE FORMAL EDUCATION, ARE NOT ARTICULATE, AND MAKE NOT MUCH MORE THAN MINIMUM WAGE, BUT THEY WON'T LAST LONG AS YARDMEN UNLESS THEY HAVE EXCEPTIONALLY STRONG CONSTITUTIONS AND A GOOD DEAL OF COMMON SENSE.

I was in Oklahoma City once on a Friday afternoon before Easter when the transmission in my 180,000 mile VW Rabbit broke irreparably. A new transmission at a dealership would be about $1,300, and Wednesday was the soonest one could be in town. I couldn't find a used Rabbit transmission anywhere in town, but a junkyard in Chickasha, about 35 miles southwest of Okie City, had a Volkswagen Golf with a decent transmission. The yardman said the engine sat sideways in the Golf and the linkage was a bit different, but he thought it would work, though it might shift a bit funny. He had never put in a transmission before, but had taken out hundreds and was pretty sure he could do it. He lived next to the junkyard and could do the work in his garage after he got off work at 6 o'clock on Saturday. The cost: $75 for parts plus labor.

I ground my way along the turnpike in second gear, and it was 8 o'clock before Danny got started. There was an icy rain, and the Golf couldn't be moved because its axles were gone. He had to work on the cold wet ground with the aid of his truck headlights. We spent the next 16 hours together as he worked his magic, talking and laughing. He had been married six years and had two kids. He rented his house from his boss and was just able to get by. Neither he nor his wife had ever voted. His parents and grandparents were all Democrats, so he thought he was probably one too, but he liked then-President Reagan. Danny was vehemently against welfare and abortion, and strongly for prayer in school and gun rights. His grammar was poor, but he was insightful and had an abundance of common sense. He finished at noon and asked me to join his family for Easter dinner. I had to get going and didn't want to intrude. He accepted a tip only because he didn't have change for a hundred-dollar bill.

The shifting pattern was a bit tricky, but the transmission was still working fine when I got rid of the car 80,000 miles later.

This is Dale Anema's first published article.

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Don't Starve U.S. Businesses for Skilled Workers

By Auren Hoffman

The Information Technology Association of America estimates that there are 350,000 high-tech jobs vacant in this country right now because there is no one qualified to fill them. Because of this skilled worker shortage, American companies are underproducing and underinventing. I know all about the massive hiring crunch in high-tech today because my California company, BridgePath, specializes in matching employers to technical job seekers possessing up to ten years of experience. And business is booming.

We all know the American educational system has major problems, and today the number of computer science graduates in the U.S. is actually falling. Only about 25,000 computer science majors enter our workforce each year—down 30 percent from the totals of ten years ago. Thousands of other individuals with computer science degrees are graduated from U.S. schools but are prevented from entering our workforce because they are in the U.S. on student visas and must return to their country of origin after graduation.

Think about it. We spend our national resources educating computer scientists, engineers, mathematicians, etc., and then we tell these wonderfully productive people, "You can't work here. Go back home and take all your knowledge, drive, hard work, and education with you." That's not a policy our Congress or our President should be proud of.

The number of skilled workers allowed to immigrate to the United States is limited to 65,000 a year. More people than that attend the annual UCLA/USC football game.

It's exhausting to try to convince the federal government to let an engineer into this country. Darrell Issa, chairman of Directed Electronics (and, most recently, a Republican candidate for the U.S. Senate in California), told me that attaining a visa for one of his Syrian-born employees was almost as hard as filing with the IRS. His employee had to work part-time in Canada for a few years because the U.S. was unwilling to extend this bright engineer the right to help a local business.

Who supports increased immigration of skilled workers? The high-tech firms, of course. Every technology firm from Microsoft to Cisco to Intel to the little garage start-up is clamoring for an easing of government restrictions. Microsoft proposes that we increase the skilled-workers cap to 100,000 a year. Intel proposes to "staple green cards to Ph.D. engineering diplomas." But aside from a few U.S. Senators like Spencer Abraham (R-Mich.) and Orrin Hatch (R-Utah), the issue lacks champions in government. Last year, the Clinton administration actually proposed to *reduce* immigration. (The President has since reconsidered.)

Who's against more high-skill immigrants? Mainly unions and trade organizations like the AFL-CIO and the Institute for Electrical Engineers. They claim that skilled immigrants work for lower pay and take jobs away from U.S. citizens. But that couldn't be further from the truth.

While there are sharp arguments about the value of unskilled immigrants, *skilled* immigrants definitely create far more jobs than they fill. While immigrants make up about 10 percent of the U.S. population, they hold almost 25 percent of U.S. patents. And more than half of the engineering Ph.D. students in the U.S. are immigrants. Since the world economy has become information driven, the intellectual property developed by immigrants adds directly to the strength of our nation.

Immigrants have founded thousands of successful companies that employ millions of Americans. They dominate Silicon Valley. There is hardly a major company in the Valley whose chief technical person isn't an immigrant. Yahoo, Netscape, Hotmail, i2, 3Com, and others are filled with extremely productive immigrant employees. Andy Grove, Intel's remarkable former CEO and current company chairman, is an immigrant.

But immigration doesn't just increase America's productivity. It also opens up new jobs. T. J. Rodgers, the president and CEO of Cypress Semiconductor, estimates that his 172 immigrant engineers have created 860 jobs at his company and possibly 100 jobs at other companies. That's because for every engineer, Cypress has to hire salespeople, marketers, administrative assistants, staff support, and more. And the addition of talented engineers helps the local economy because Cypress has to build bigger offices, order more business cards, buy more computers, and use more telephones.

Our educational system shows no capacity to quickly deliver the skilled technical workers American businesses are so desperately seeking. And if talent cannot be brought to these firms, the firms will go to the talent. Thanks to the misguided immigration bottlenecks, major U.S. companies are having to open up plants and offices abroad. Intel, Microsoft, and others now have multiple locations in countries like Israel and Taiwan—just to get hold of bright talent.

Oracle has several complexes in India where it employs hundreds of programmers. Larry Ellison, Oracle's CEO and

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the Protectionist Economist

The Holes in Buchananomics

By Ramesh Ponnuru

It's not Pat Buchanan's fault his new book, *The Great Betrayal: How American Sovereignty and Social Justice Are Being Sacrificed to the Gods of the Global Economy*, has come out at an inauspicious time. Amid the hype about America's current economic boom he may not make many converts to his view that foreign trade is destroying our jobs and depressing our wages. In his defense, job and wage growth have been weak in all but a few quarters of this boom. Besides, Buchanan never claimed free trade means the business cycle will never have an upswing.

More problematic are Buchanan's specific predictions. Because we adhere to free trade while the Japanese practice economic nationalism, he argues, they prosper at our expense. Yet Japan has been flat on its back throughout the '90s. Or consider North America: "Two years after NAFTA," Buchanan writes, "the predictions of its opponents had all come true." Oh? U.S. manufacturing employment is up since 1993; ditto for the automotive, electronics, and industrial machinery sectors. Buchanan predicted low-wage workers in Mexico would take American jobs; in reality, they've had a hard time keeping their own. So now Buchanan claims that NAFTA "created a booming new Sun Belt" in Mexico, yet somehow also spurred more Mexicans to abandon that Sun Belt for the U.S.

It's not the only contradiction he's forced into. He suggests both that the government is wrong to neglect unions (he says free trade has decimated them), and wrong to help them (complaining that they brought the Big Three automakers down). He says free trade has hurt Europe even more than us, and also that economic-nationalist Europe is eating our lunch (this within three pages). Truth to tell, Buchanan's book abounds with examples of illogic, unreliable data, and tendentious history. While nobody expected him to produce a scholarly tome, this book is far below the usual standards for polemics. By its end, the case for free trade hasn't suffered a single serious blow.

Part of the problem is that Buchanan seems to accept uncritically any sympathetic source. The late Sir James Goldsmith appears often in the endnotes, though his scholarly method included making up quotations. Ravi Batra, himself an old hand at bum predictions (in 1987 he wrote *The Great Depression of 1990*), is treated as a scholar. (Thankfully we are spared Batra's demands for radical redistribution carried out by a dictatorship led by "warriors" and intellectuals.) Another frequent source, Jay Olnek's *Invisible Hand: How Free Trade Is Choking the Life Out of America*, insinuates that free trade is bunk because Adam Smith had a homosexual affair with David Hume. (Olnek's evidence: Smith ended letters with "Yours entirely," wore white silk stockings, and was depressed by his mother's death.)

And then there's Alfred E. Eckes, whose *Opening America's Market* "is cited more often here than any other work." That book is a series of crafty misrepresentations of the historical record (see my review in *Reason*, January 1997), but the ones that mislead Buchanan most seriously concern the Smoot-Hawley tariff of 1930. He relies "almost entirely" on Eckes in disputing the conventional wisdom that the Smoot-Hawley tariffs of 1930, and retaliatory measures by other countries, exacerbated the Great Depression. First, Buchanan explains, the Smoot-Hawley tariffs were historically low since they applied to a small percentage of imports. But that is a ridiculous measure of the tariffs' severity, since a high tariff will and is designed to reduce imports of the item to which it applies.

Smoot-Hawley didn't cause trade wars, says Buchanan: few countries filed diplomatic protests after the law passed. But other nations *did* respond by raising their own tariffs, devaluing their currencies, defaulting on debts, and expropriating foreign industries. Smoot-Hawley didn't bring on the Depression alone, but it helped shut down global commerce.

Buchanan worries a lot about America's ability to compete with cheap labor abroad: "Why keep your plant here when you can manufacture at a fraction of the cost abroad, ship your goods back, and pocket the windfall profits that come from firing 20-dollar-an-hour Americans and hiring 50-cent-an-hour Asians?" But if low wages are so advantageous, why isn't Bangladesh booming? Answer: because American labor is more *productive*. That's why wages are higher here. Despite its superficial populism, Buchanan's argument assumes American workers are paid more than they're worth.

Buchanan alleges that U.S. wages have declined since 1973 as a result of the "global hiring hall," and that this has led to "falling birth rates and rising delinquency," teenage drug abuse, and promiscuity. But by 1973, the U.S. (as Buchanan elsewhere concedes) had already been practicing reasonably free trade for decades. Moreover, the falling wages argument (as previous articles in this magazine have pointed out) is mostly based on erroneous data promoted by left-wing advocates of income redistribution.

Buchanan also argues that free trade is unfair to U.S. businesses, because they

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must comply with burdensome safety, employment, and environmental regulations that do not apply to their foreign competitors. But while a plant manager in Bangladesh doesn't have to worry about OSHA inspectors, he does have to worry about bribery, hazy property rights, judicial corruption, and political instability, just to mention a few other government-imposed costs. Which would most businessmen choose? Fly to Bangladesh and find out.

More fundamentally, it isn't clear why Buchanan should want to "protect" burdensome regulations. For that is the logic of Buchanan's position—as leftists who share it appreciate. By masking the consequences of foolish national policies, protectionism makes it likelier those policies will continue. Buchanan quotes John Maynard Keynes repudiating free trade, but ignores Keynes' reasoning: protectionism lets activist governments experiment with their own economies without fear.

Buchanan writes that "America's merchandise trade deficit, an all-time record of $191 billion in 1996, is a cancer. Either we cut it out or it will kill America." But protection wouldn't necessarily cut it out. Imports would go down, but so would exports. Exporters would be hurt by an appreciating currency, by retaliatory protection abroad, and by increased sluggishness among protected firms that would suddenly have little incentive to look outside the cozy home market.

Buchanan's promise to eliminate the trade deficit is, in addition, mathematically incompatible with his promise to make Americans invest less abroad and foreigners invest more here. Trade deficits are the mirror image of capital surpluses. America ran both for its first century—the very period in which Buchanan believes wise and statesmanlike protectionists were in charge. To acknowledge such facts would complicate Buchanan's trade-as-warfare view, where markets are forever "invaded" and "captured." So he ignores them.

Buchanan also ignores the actual beliefs of the statesmen whose shades he repeatedly invokes. He argues that only foreigners, or consumers of imports, pay tariffs. Actually, everyone pays because domestic producers can raise their prices. Alexander Hamilton understood that. He also understood that producers are consumers. Buchanan praises Reagan-era import quotas for helping the U.S. steel and semiconductor industries but ignores the greater harm to U.S. industries that *used* steel and semiconductors. Hamilton rejected trade barriers in such cases. He also favored expanding the domestic market through mass immigration. This was the reigning policy during Buchanan's Golden Age of the late nineteenth century. It wasn't until Herbert Hoover that Buchanan's policy of closing markets in both goods and labor was actually followed.

PAT BUCHANAN'S REMARKS ARE STRIKING FOR THEIR SHEER LIBERALISM.

Buchanan calls himself an "economic nationalist," but his discussions of trade consistently subordinate the national interest to the particular interests of shoemakers, winter tomato growers, and other lobbies upset by foreign competition. For him, all parochial interests deserve protection, but not the interests of consumers. Buchanan approvingly quotes a source who suggests it's decadent to want fresh fruit and vegetables year round. So Buchanan ends up arguing against economic change *per se*. No job should ever be lost in any industry—even if national employment rises, or even if output rises in that very industry.

Buchanan's concerns, then, aren't really economic, as he implicitly admits: "In a true nation, many things are placed on a higher altar than maximum efficiency." But he won't face the trade-off between the "many things" he values and economic growth. He could have tried to persuade Americans they should give up considerable wealth for the sake of those higher things. That's a respectable argument. Instead, he pretends his policies will add to the nation's wealth.

If Buchanan's economic nationalism isn't economical or nationalist, is it at least conservative? He is at pains to say so, but his ideological categories slip through his fingers. Central banking is part of a sound nationalist system when protectionists propose it, but when free-trader Woodrow Wilson does, it's proof of his liberalism. Free-traders are attacked for their "animus toward…empire," even though Buchanan's newspaper columns regularly preach hostility to imperial adventures.

Buchanan repeatedly asserts that anti-nationalists and statists have espoused free trade. True. But does that prove nationalists and free-marketers should reject it? If that sort of liberalism-by-association is okay when Buchanan practices it, why does he cavil when critics attack his alliance with left-wing union boss John Sweeney? Buchanan admits that Friedrich List, the nineteenth-century German protectionist, "began to lay the intellectual foundation for wholesale government intervention and the state socialism of imperial Germany." And what are we to make of Buchanan's use of sources like that old sycophant of Che Guevara, Regis Debray? Or his use of bogus statistics on concentration of wealth—that staple of left-wing propaganda?

Some of Buchanan's remarks are indeed striking for their sheer liberalism. "Better the occasional sins of a government acting out of a spirit of charity than the constant omissions of a government frozen in the ice of its own indifference." So good intentions are what matter? "'What is the market? It is the law of the jungle, the law of nature. And what is civilization? It is the struggle against nature.' So declared [French] Prime Minister Édouard Balladur at the close of the GATT negotiations of 1993; he is right." Civilization, then, is the struggle against free markets.

Buchanan repeatedly refers to free trade as "treason" and "un-American." He proposes a different course for protectionist nationalists: Wrap yourself up in the flag. And then burn it.

Ramesh Ponnuru is a national reporter for National Review.

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Flashback

TO KNOW NOTHING OF WHAT HAPPENED BEFORE YOU WERE BORN IS TO REMAIN EVER A CHILD—*Cicero*

Allegania the Beautiful

Charles Fenno Hoffman was a one-legged Hudson Valley lawyer turned poet who wrote—seriously—one of the best odes upon a dead dog ever penned. Hoffman had earned his gimp when, in a fit of boyish daredeviltry, he tried to leap from a pier onto a steamer. He came up about half a leg short.

As he later came up short in his most ambitious project: an attempt to give a new name to our country. If poets ran this land, Hoffman would be revered today as the father of our beloved Allegania.

Nineteenth-century American poets keenly felt the infelicity of the name "United States." What could we call ourselves? "United Stateser" is hopelessly clumsy, and rhymes only with "late, sir" and "fate, sir." Besides, there were five other United Stateses in the hemisphere. "American," which—not to spoil the ending—finally won out, was imprecise, encompassing two continents and many countries.

Washington Irving, the nation's leading man of letters, had worried this bone for years. "We want a national name," wrote Irving. "We want it poetically, and we want it politically.... I leave it to our poets to tell how they manage to steer that collocation of words, 'The United States of North America,' down the swelling tide of song, and to float the whole raft out upon the sea of heroic poesy." A stirring new name "would bind every part of the confederacy together."

So in March 1845, the New York Historical Society appointed poet Hoffman, Indian expert Henry R. Schoolcraft, and attorney David Dudley Field to come up with a better name for our country. By month's end, their report was in. (Commissions worked faster in those days.) It urged discarding the "irrelevant appellation at present used for this country" and its replacement by one "more likely to promote national associations, and prove efficient in History, Poetry, and Art."

The trio looked for a name in "our mountains, or our lakes, or our rivers." The Rockies they judged too distant; the northern lakes peripheral; the great Mississippi River and its tributaries had already given names to six states.

Taking a cue from Washington Irving, they settled upon "Allegania," to be pronounced "Algania" for poetical reasons. (Though suitable rhymes do not quite cascade: mania? Mauritania? That's vain o' ya?)

The Alleghany Mountains were "the grandest natural feature of the country," declared Hoffman and Company; "one that is common to the north and south...the back-bone of the original thirteen states: and the dividing ridge between the Atlantic rivers and the great central valley of the continent." Moreover, the national monogram—USA—would be unchanged in a United States of Allegania.

The name speaks of "colonial adventure, and revolutionary heroism"; its Indian derivation gives it a native quality that a corruption of Italian explorer Vespucci's first name just doesn't have.

The Society asked other state historical societies and "eminent citizens" to jump aboard the Allegania bandwagon; mapmakers and textbook writers were asked to designate our land as the "Republic of Allegania."

But it would have been easier to move the mountains themselves than to move men on the subject of a national name. Washington Irving, of course, was for Allegania, but his fellow Hudson Valley eminence Martin Van Buren was against. Another ex-president, John Quincy Adams, was appointed chairman of a Massachusetts Historical Society committee to consider Allegania; uncharacteristically, the Bay State stayed out of the fray.

Newspapers were found on both sides of the issue. (This was an age when poets—Allegania's chief constituency—published in the daily press, where they actually had readers.) The *Boston Journal* was all for a new national name, but it preferred the undignified "Yankee Doodle." The *Evening Gazette* of New York pointed out that westward expansion would render the Alleghany Mountains eccentric. The *New York Evening Post* published "Alleghania" by Henry B. Tuckerman, who (in addition to introducing a new spelling for the name) did his cause no favors with this example of the poetaster's art:

And Alps and Apennines resign their fame,
When thrills the world's deep heart with Alleghania's name!

By May 1845, Hoffman was being shouted down at a raucous meeting of the New York Historical Society. His committee "hardly escape[d] without impeachment from these indignant United Statesers."

But that was to be the least of poor Hoffman's troubles. In 1848, a chambermaid accidentally used the manuscript of the nearly finished novel that he regarded as his masterpiece as kindling. Within a year, Hoffman suffered a nervous breakdown. He would spend the remaining 35 years of his life in and out of insane asylums, writing no poetry, the first forgotten mad poet of the Republic of Allegania.

—Bill Kauffman

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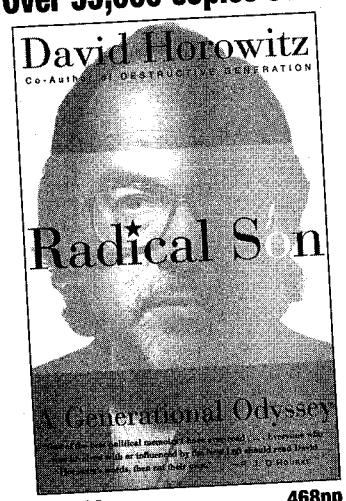

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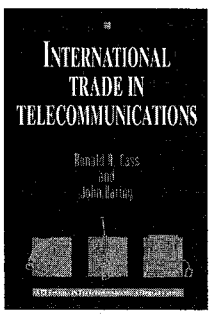

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Bill Clinton, Movie Mogul?

President Clinton is all smiles after a hug from Barbra Streisand.

AP/Wide World Photos

Hollywood lore has it that Darryl F. Zanuck, the famous president of 20th Century Fox, had an insatiable appetite for beautiful young starlets. Before they were cast in his pictures, Zanuck supposedly conducted "auditions" in the secret chamber behind his desk, decorated with hunting trophies and a bed with a tiger-skin spread. It was the era of the "casting couch," and to many it's ancient history. Guess who might bring it back?

Bill Clinton has been more successful than any other politician at cultivating a special relationship with Hollywood. As Arkansas governor, he dreamed of life as a screen idol, telling confidants he had a special star quality, but sadly admitting, "I'm going to have to stay in politics now, because I'm too old to be a movie star." So as Clinton begins making plans for life after the presidency, is it any wonder that he has reportedly informed friends that he may want to run a movie studio?

Clinton will be only 54 when his term is over, and as a studio head he could make more money in one year than he's made his entire life. Then there's the added allure of finding himself surrounded by the Beautiful People. Given these powerful incentives, coupled with Clinton's demonstrated affection for the celebrity culture, it seems unlikely that he will be satisfied to return to a Place Called Hope. Nor does he demonstrate any of the scruples that led Ronald Reagan to refuse movie cameos and studio positions after leaving office—on the grounds that they would "cheapen" the presidency.

Clinton surely won't follow the course charted by other former presidents of his age. Franklin Pierce left office at 53, retired to his native New Hampshire, and was never heard from again. U.S. Grant, 55 when his term was over, spent most of his remaining years in a drunken stupor, but nevertheless managed to write one of the great American memoirs from his deathbed. And Jimmy Carter, at 57, moved back to Georgia to build houses and teach Sunday school.

In many ways, Hollywood and Clinton seem the perfect match. But earlier this year, when it began to appear that the President may have been using the Oval Office like Zanuck's studio hideaway, many of Clinton's film industry allies began to get nervous. Hollywood FOBs who had hoped Clinton would be their version of the mythical John F. Kennedy of Camelot fame were shocked by the Monica Lewinsky and Kathleen Willey news that cast him as a crude lecher. And comments similar to Hugh Hefner's subsequent proclamation—"We have a playboy in the White House who's lit a thousand points of lust"—made some people skittish in an industry increasingly sensitive to "family values" criticism. The message to the White House was made clear: If you come to us as a martyr railroaded by a political witch hunt, we'll take you. But come to us as damaged goods, and you won't be useful.

Of course, some in Hollywood actually champion the lifestyle Clinton has come to symbolize. Jack Nicholson eloquently argued this position in a front-page *Wall Street Journal* story: "I supported Gary Hart because he f___s . I support President Clinton and will always be on his side because he is someone who f___s . I don't trust any guy who doesn't."

But others are more wary. One former studio head, a Democrat who has attended Clinton fundraisers, acknowledges that while many are still reserving judgment and giving the President the benefit of the doubt, the mood toward him has shifted, and is "much more mixed" than when he was first elected. And a high-placed source at one of the top talent agencies says that in this age when many industry leaders are raising their own families, even some of Clinton's staunchest political supporters are having serious qualms about accepting his alleged behavior.

Still others have different concerns about Clinton running a studio: They're skeptical about whether he could make perceptive creative decisions. "As a politician and orator, he's extraordinary," the famed Paramount head Robert Evans, now a producer, told me. "But if his taste in films is the same as his taste in women, I wouldn't want to finance the pictures."

Two-and-a-half years is a long time, and Clinton has many miles to go before his civilian life begins. But if the lukewarm reception he's now receiving continues, he may want to consider other options that would bring him to the Sunset Strip. Word is, Pepperdine University, just off Malibu Beach, is accepting applications for dean.

—John Meroney

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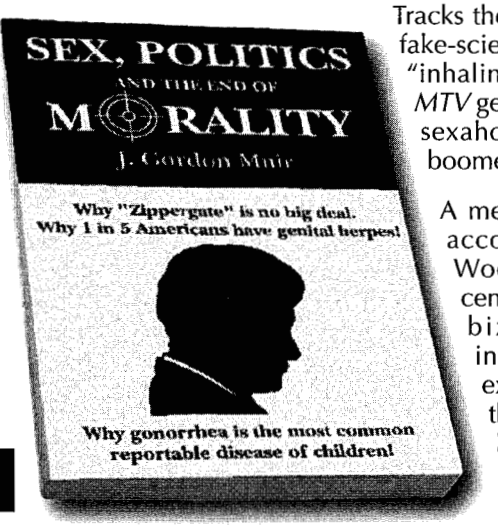
The True and Tragi-Comic Story of the Unhinging of American Society and the Death of a Culture

SEX, POLITICS AND THE END OF MORALITY

A New Book By J. Gordon Muir



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- Why 1 in 7 kids start illegal drugs *in utero*
- Why gonorrhea became the most common reportable disease of children
- Why 1 in 8 schoolkids pack a weapon
- Why youth culture includes a "culture of death" (Tom Brokaw's phrase)
- Why 1 in 5 Americans have genital herpes
- Why American schools teach "new morality" as well as "new math"
- Why some public schools teach 8 and 9 year-olds techniques of gay sex
- Why the mainstream media *can't think straight* — in their own words
- What the "culture wars" are all about — and who won

This text documents what leaders and thinkers (the few) say about cultural revival. It describes how academic ideologues, left-wing politicians, and activist judges have fundamentally reordered U.S. society without popular consent. It reveals the clear reason why "Zippergate" was no big deal to most Americans. It also recognizes the flipside of J.C. Watts' "poverty pimps" – the "morality pimps", "full-mooners" and Pharisees running loose in conservative circles, wrecking serious causes.

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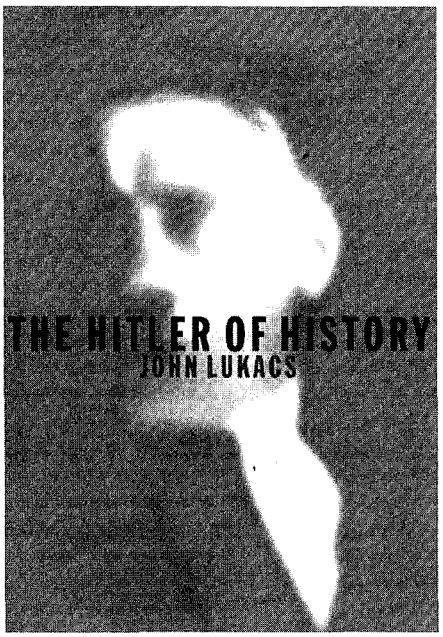
BookTalk

THOROUGHLY MODERN ADOLF

By Mark Falcoff

The Hitler of History
By John Lukacs
Knopf, 279 pages, $26



It has been more than 50 years since Adolf Hitler committed suicide in his bunker in the final days of World War II. Yet, surprisingly, there is no consensus on the man and his place in history; we do not fully understand his prodigious rise to the head of Europe's most educated nation, less still the factors that led him to drag his nation (and many others besides) into the most destructive war in history. This is certainly not for lack of effort by historians, both German and foreign: at last count there were more than a hundred biographies in print in all of the major European languages.

The problem is as much philosophical as historical. Modern man does not want to grapple with, or understand, the problem of evil. Still less does he have an appetite for moral ambiguity—that is, for accepting the possibility that even the wicked have an appealing side. But, as John Lukacs argues in *The Hitler of History*, we cannot understand the phenomena of Hitler and Nazism unless we take them both seriously. Simply writing the German dictator off as a madman trivializes him and "relieves him of all responsibility—especially in this century, where certification of mental illness voids a conviction by law."

Though *The Hitler of History* is an enormous pleasure to read, it is an extraordinarily difficult book to describe. On one hand, it is an exceptionally learned (and supremely readable) guided tour of the literature on Hitler, particularly what's been written in German. On the other, while it is not a full-dress portrait, it does deal with some of the major questions confronting any Hitler biographer. And finally, it is an attempt to properly place Hitler and Hitlerism in the full context of the 20th century, a period upon which, it is Lukacs' bold contention, Hitler "left a more indelible mark...than any other dictator, a Lenin or Stalin or a Mao."

Perhaps the most surprising thing about this book is the degree to which it sheds new light on subjects that have already received more than their share of attention from scholars. Lukacs is convinced that, contrary to Hitler's own account in *Mein Kampf*, his political identity crystallized not during his years in Vienna just before World War I, but in Munich in 1919—which is to say, around his thirtieth birthday. This event coincided with the seizure of the city by a group of left-wing crazies, many of them Jews, who created a short-lived "Soviet" republic. To buttress this argument, Lukacs offers tantalizing evidence, including the fact that no one has been able to find evidence of anti-Semitic utterances by Hitler prior to that time.

Similarly, he is provocative on Hitler's place on the left-right spectrum that has dominated political typologies since 1789. The notion of Nazism as the last, desperate ploy of an embattled German bourgeoisie, or even the stalking horse of German industrial capitalism, retailed for decades by Marxist hacks, is now thoroughly discredited. But Lukacs is not content to let the matter rest there. While Hitler recognized the need to win conservative votes, he himself was never a man of the right, either in the monarchist or in the liberal sense. "He showed respect for some of the old things," Lukacs writes, "but a conservative he was not and a reactionary not at all."

Indeed, in at least two aspects, Hitler was an out-and-out revolutionary: he was fascinated by science and technology, and he offered Germans an optimistic view of the future. In this latter endeavor he must have been successful, at least during the first years of his dictatorship: from 1932 to 1938, suicides in Germany dropped 80 percent. Moreover, Lukacs points out, many of Hitler's policies were intended to knock down class distinctions and class privileges; witness his agrarian reforms, his program of inexpensive vacations for workers, the Winterhelp campaign, and his youth movement. Evidently, Hitler's notions of egalitarianism had nothing whatever to do with Enlightenment doctrines; quite the contrary, they were perverted by a particularly nasty racialism to which—sad to say—he probably owed much of his success in creating a political following that virtually spanned the ideological spectrum. As Lukacs neatly states, "Hitler was a new kind of revolutionary," uniting

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backward- and forward-looking doctrines and sensibilities.

"Compared with communism," he writes, "Hitlerism was more modern. And popular." On this score he provides two telling pieces of evidence. One is that, unlike the international Communist movement, Nazism suffered no massive crises of faith or defections at the time of the Hitler-Stalin Pact of 1939. (Quite the contrary, in spite of decades of anti-Soviet conditioning, Hitler's followers hailed the agreement as proof of the Fuhrer's strategic genius, which for a time it was.) The other is that as the fortunes of war turned against Germany, Hitler's strongest supporters, the real bitter-enders, were often working-class converts from socialism and Communism.

Turning to Hitler's strategic vision, Lukacs also has much to say that is new. A large measure of his success was due to his opponents' underestimation of his abilities. He was "an alarmingly effective statesman—not only in peace but also in war—and an often alarmingly successful strategist." He had an almost instinctive ability to recognize the weakness of actual or potential opponents; he believed in the supreme importance of will and the power of ideas; he had a considerable knowledge of historical and technical matters; above all, he recognized the supreme importance of land, as opposed to sea, power. We need to be reminded, Lukacs writes, just how effectively Hitler managed these assets; as of March 1938 he had achieved a diplomatic revolution without precedent in modern European history—and without firing a shot.

Hitler's great failing was that he was in a hurry. Sometime in 1938 he became convinced that he had little time left to live; after that date he began to speed up the deliberate, restrained tempo to which he owed much of his diplomatic success. He was right, of course, to see in the English and the French the reluctant warriors they were in the short term. It was the long term he failed to grasp; that, and of course the ultimate entry of the United States into the war, an eventuality he did not take seriously until it was thrust upon him. Once the United States was involved, Hitler anticipated a break between America and Stalin; indeed, this was a hope he nourished virtually to the end. Here he was right, too, but once again, the rupture came too late to be of any help to him. (Lukacs notes the emergence of one postwar school of German historiography which divides World War II thus: the war against the Western Allies was regrettable, while the war against Russia was unavoidable and heroic. In this light, the advance of Communism into the heart of Europe becomes not the fault of Germany—which after all started the war—but Britain and the United States, which made common cause with Stalin after 1941.)

Any book on Hitler must address the so-called Jewish question, and in this regard Lukacs has done the best he can. Unfortunately, and probably to his credit as a serious Christian and Catholic, he simply cannot understand what drove this obsession on Hitler's part. He does, however, make several useful points. The first is that anti-Semitism, or more properly, Judeophobia, was a more consistent strain in Hitler's ideology (and conduct) than any of the other themes: anti-Communism, racism, nationalism, even his famous quest for *Lebensraum*. The second is that the anti-Jewish brutalities of the Nazis found less support among the German people generally than among some Romanians, Latvians, and Ukrainians (though he should have added the Austrians and perhaps the Vichy French). The third is that all attempts at Holocaust denial or "revisionism" are plainly bogus, even in its current, more "respectable" form as offered by the British historian David Irving.

After the creation of the Federal Republic in 1949 and the apparently definitive division of the country into Western and Soviet zones of influence, German historiography was reshaped to take account of the new political realities. Curiously, however, on both sides of the border Hitler and Nazism became a phenomenon to be dismissed or minimized—a brief moment, as it were, in the long history of the German people. In the East (the so-called German Democratic Republic) the National Socialist state was held to be merely one of many expressions of fascism imposed throughout Europe during the 1930s by capitalists and anti-democratic political forces (the military, the church, the petty bourgeoisie). In West Germany, the minuscule German resistance movement was blown out of proportion, a futile attempt to make Hitlerism seem like something imposed from above rather than eagerly embraced from below. Inevitably, in time a new group of historians, most of them tracing their political consciousness to the student revolts of 1968, offered another reading of Germany's history—namely, that a deep strain of irrationality and illiberalism runs throughout its totality, unlike the history of Britain and France.

Lukacs finds this so-called *Sonderweg* school of interpretation less than satisfying. As he points out, while the older generation of German conservatives, particularly its nationalist contingent, has much to answer for, it is also true that "the main and many of the most principled opponents of Hitler were traditionalists and believers in the patriotic, often religious, and above all moral and noble standards of an older and better world."

He also rises somewhat to the defense of Germany's newer "neo-conservative" historians, particularly Ernest Nolte and Andreas Hillgruber, who, he writes, "are not admirers of Hitler but defenders of Germany and of the German people during the Third Reich." But, he is forced to add, "since the history of the Third Reich is inseparable from that of Adolf Hitler, they inevitably find themselves (at times at least) defending Hitler too." This controversy among German historians Lukacs rightly sees not as a conflict between neo-Nazis and anti-Nazis, but between leftist and conservative nationalist trends in German politics which cannot be permanently suppressed, particularly now that the country is reunited and the cold war has ended.

Somehow the Hitler phenomenon will have to be explained and integrated into our understanding of German and twentieth-century history. "This is inevitable and not necessarily regrettable," Lukacs writes. "What matters are the purposes and, consequently, the quality of such a revisionism." The only certainty we can grasp is that "the history of the Third Reich is inseparable from that of Adolf Hitler."

This book affirms John Lukacs' position in the front rank of historians writ-

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ing in English. It sent your reviewer scurrying off to read everything else the author has produced.

Mark Falcoff is a resident scholar at the American Enterprise Institute.

SLAVE TO GUILT

By Evan Gahr

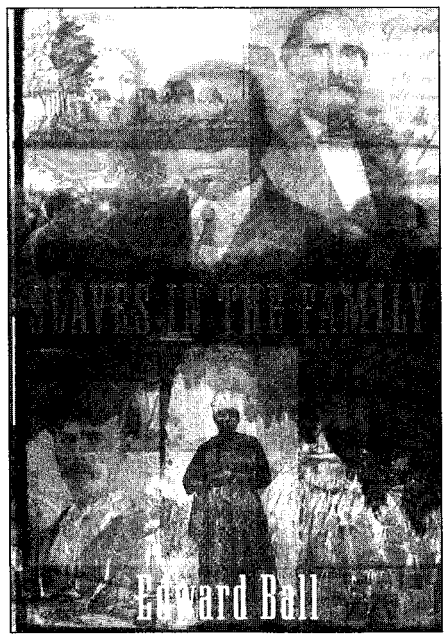
Slaves in the Family
By Edward Ball
Farrar, Straus and Giroux, 504 pages, $30

Slavery is hot. Whether it's President Clinton's recent "apology" or liberal academics blaming almost every social pathology on "400 years of oppression," the peculiar institution—and its much-debated legacy—still consumes the cultural elite.

But for Edward Ball, slavery's legacy quite literally hits home. In *Slaves in the Family*, Ball sets out to locate descendants of the thousands of slaves his South Carolina family once owned.

The task sounds noble. But instead of grappling with his family's past, as well as with an odious chapter in our national history, Ball simply rehashes liberal platitudes during a quest that takes him from New York to California. Even before he sets out on his cross-country guilt trip, Ball has already made up his mind as to his family's legacy. "By skewing things so violently in the past we had made sure that our cultural riches would benefit all white Americans." With his heart heavy and eyes closed, it's not surprising that Ball seems downright oblivious to the complexity of the men and women he meets, and that he imputes bitterness to people whose views are actually far more nuanced. Like so many efforts aimed at "racial understanding" and "harmony," this book, with its fixation on race, obscures what black and white Americans have in common. And for all his hand-wringing that the plantations helped stack the deck in favor of whites today, none of the blacks Ball encounters seem the least bit hobbled.

The Ball family owned "more than 20 plantations"—among the "oldest and



longest standing in the South. Between 1698 and 1865 close to four thousand black people were born into slavery to the Balls or bought by them...after the Civil War, some of the Ball places stayed in business as sharecrop farms with paid black labor until about 1900, when the rice market finally failed."

Through a bit of historical sleuthing, Ball discovers that his family's treatment of slaves ran the gamut from acts of cruelty (such as cutting off the limbs of escapees) to endeavors of genuine kindness. The same range was associated with sexual interactions. Many of his ancestors who were listed in family documents as "never married" actually had long-term relationships with slaves.

That, of course, is nothing new. The fascinating material here is Ball's interactions with the slaves' descendants. "When I began looking at the plantations and speaking with descendants of Ball slaves, I thought that I might meet with a certain amount of rage. I presumed it would be directed at me. In fact, I had been surprised at how little rage I had found." Still, Ball can't quite see beyond race. With "black rage" virtually absent, Ball puts a sinister spin on other things. Innocent jokes have a dark underside. When the slaves' descendants laugh, even the "laughter is a little sharper than my own."

None of the black men and women Ball encounters in his travels—military women, teachers, and musicians, to name a few—bear the yoke of 400 years of oppression. Ball, however, would like to think otherwise. When he meets Leon Smalls, a Philadelphian who adopts the pose that Eddie Murphy calls the "militant brother," Ball explains that Smalls' "bitterness protected him while he left open the dim prospect of a different life."

Dim prospect? Different life? Smalls works as a trucker, is a union official, owns his own home, is married, and is a father of successful children. What else would he want? Many Americans aren't nearly as blessed.

Ball ends his book with a journey to West Africa, where he finds the heirs of African slave sellers. They are much less guilt-wracked than Ball, but after a bit of nudging, he convinces a West African chief to partake in a joint ceremony of forgiveness. Mission completed.

Though *Slaves in the Family* offers some rich details of the Ball slaves' descendants, the story of yet another guilt-ridden liberal isn't so interesting. Today, the only people who suffer the after-effects of slavery are people like Ball himself. They remain chained to their own preconceptions. Here's hoping somebody sets them free.

Evan Gahr writes regularly for The American Enterprise.

ADVERTISING REVOLUTION

By Alan Pell Crawford

The Conquest of Cool: Business Culture, Counterculture, and the Rise of Hip Consumerism
By Thomas Frank
University of Chicago Press, 287 pages, $22.95

In this penetrating study of the advertising industry of the 1960s, Thomas Frank persuasively argues that Madison Avenue advertisers not only anticipated the cultural upheaval of that controversial decade but also helped instigate it.

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Clever admen like Bill Bernbach of Doyle Dane Bernbach (creator of the ironic, minimalist Volkswagen campaign of the early '60s) weren't just corporate hirelings exploiting cultural forces they didn't understand (as leftist theorists argue). No, Bernbach, George Lois, Howard Gossage, and other copywriters and art directors were themselves rebels against the gray flannel suit conformity of their own profession. Overthrowing the "scientific" approach that dominated advertising in the '40s and '50s, these so-called "creative types" wrought a revolution in their industry.

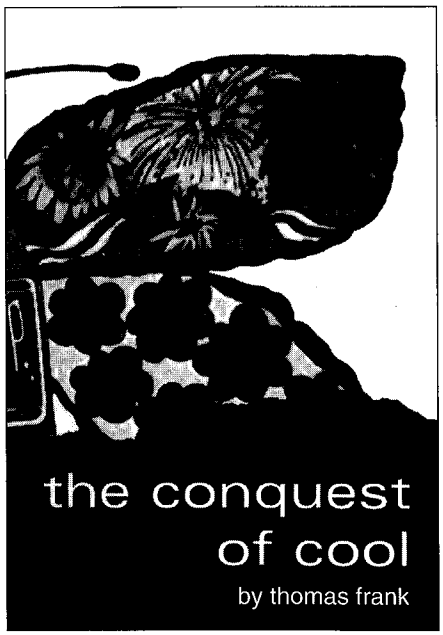
Sick of featuring alleged experts in lab coats who promoted a product's Unique Selling Proposition, these admen began to produce playful, free-spirited advertising, the skeptical tone of which was several years ahead of the Aquarian curve. Agencies were able to parrot counterculture attitudes without much difficulty because, in many ways, "creatives" shared them.

The result of this rebellion was a new style of advertising that has had a profound effect on Middle American life.

Mirroring critics of postwar conformity like William Whyte and David Riesman, the new men (and women) of Madison Avenue designed ads that mocked other ads and satirized advertising itself. Frank calls what emerged "anti-advertising: a style which harnessed public mistrust of consumerism—perhaps the most powerful cultural tendency of the age—to consumerism itself."

Flattered by such appeals, Americans responded just as the advertisers had hoped. Shoppers began to choose their brands of soft drink, car, and toothpaste not "to fit in or impress the Joneses, but to demonstrate that they were wise to the game, to express their revulsion with the artifice and conformity of consumerism."

The result was "a cultural perpetual motion machine in which disgust with the falseness, shoddiness, and everyday oppressions of consumer society could be enlisted to drive the ever-accelerating wheels of consumption." Americans, who had been encouraged after World War II to blend in, were now joining



what Peter Viereck called "the herd of independent minds."

"If American capitalism can be said to have spent the 1950s dealing in conformity and consumer fakery," Frank writes, "during the decade that followed, it would offer the public authenticity, individuality, difference, and rebellion."

You could get all of them, evidently, at the nearest boutique. It is not sporting of Frank to remind us that the leisure suit was once thought hip. His Dacron-rich discussion of the "Peacock Revolution" in men's fashion, which closes the book, suggests how aesthetically perilous the cult of hip can be. It only hints at how morally troubling it is.

The "revolution" ignited by Bernbach and company is with us to this day, and the man in the gray flannel suit is still carted out in ads of the '90s to signify Squaresville. "If imagery from the utopian '50s appears in contemporary advertising at all," Frank observes, "it's in the same role invented for it during the '60s: emblems of consumer idiocy, mindlessly smiling foils from the generic past against which we can measure our own hipness"—and thus, presumably, our own superiority.

Frank might have explored more thoroughly the implications of this relentless pursuit of hip. He has identified a shift not only in advertising but "in the values of business culture generally," but what that shift portends he does not address.

Admen appeal to Gen Xers with the same kinds of "attitude" with which they approached kids in the '60s, and the "ever-ascending spiral of hip upon hip" continues. That we can expect more and more ads that use "preemptive irony" seems a certainty. The effect of this onslaught won't be known for some time, but it is not likely to be salubrious. Already, images of high-spirited "rebellion" are giving way to more sinister acts of what left-wing intellectuals like to celebrate as "transgression."

That in itself seems a significant shift, and it would be interesting to know what Frank, apparently a man of the Left himself, would have us make of it. To this unapologetic square, it doesn't look good.

Alan Pell Crawford is employed by The Martin Agency in Richmond, Virginia.

ENTERPRISING continued from page 73

founder, has repeatedly said he would much rather build another office in the United States. It is very costly to run a far-flung company. But he has no choice because it is illegal to bring the talent to the U.S.

I once surveyed a 50-person industrial engineering class at the University of California at Berkeley. I asked the class how many of them had at least one parent who was an immigrant. Every single person except one raised his or her hand.

One of those students who raised his hand was a partner of mine on an engineering project. He is brilliant, had a 3.7 GPA, was a hard worker, and was very articulate. But after graduation he was forced to return to Indonesia because he did not have a green card.

Does this make sense? I think not.

Auren Hoffman is President of BridgePath Inc. (www.bridgepath.com), based in San Francisco, California.

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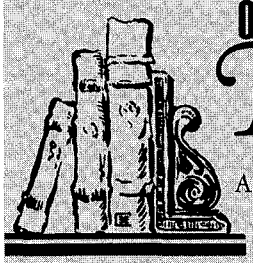

off The Shelf

A REGULAR REVIEW OF CLASSIC, OVER-LOOKED, NEWLY RELEVANT, OR OTHERWISE DESERVING OLDER BOOKS

HE HAD A DREAM

By Eli Lehrer

The Vision of Piers Plowman
By William Langland, c.1379
Edited by A.V.C. Schmidt, Everyman's Library, 1995, 550 pages, $9.95

Within its first 1,000 lines, William Langland's *Piers Plowman* explores money's influence on politics, the problem of able-bodied people who are unwilling to work, the state's role in restraining popular impulses, and the need for religious leaders to practice what they preach. In other words, the poem, written in the late 14th century, speaks to the waning years of the 20th century.

The poem centers on the dream visions of a narrator named Will. The narrator, who many scholars believe represents Langland himself, falls into a deep sleep during a walk in the English countryside. This begins a long allegorical journey consisting of dreams punctuated by brief waking interludes.

In the first vision, Langland argues against the influence of unearned wealth on kingly decision-making. He calls for nations to be governed by reason, conscience, and sincere religious belief. In a poem that sometimes seems pessimistic in its view of humanity, this section is undeniably optimistic: wealth loses out, and the king gains wise advisors.

Having established the framework of enlightened government, Langland argues that such will prove possible only if the body politic is peopled with moral individuals. Although Langland devotes some time to the topic of avoiding sin (with images of wickedness that are truly stomach-turning), he goes further to urge that people emulate the example of Piers Plowman. Piers is a character representing good, hardworking, moral individuals. Through him, Langland urges charity towards the needy poor, but also scorn for those who think of themselves as above work. He sees hunger as necessary to spur people into labor. This vision closes with a sermon calling for men to think of salvation in spiritual terms, and urging them to emulate Piers Plowman in their daily life.

The poem then moves into its second broad sequence, covering the individual Christian's moral development. This section moves more slowly. Although nearly every line poses some intriguing intellectual query, readers may find themselves stuck at times. Luckily, the plot is loose enough that it is possible to skip big sections without losing much.

In this second quest, Will comes face to face with sin in the form of a commoner named Haukin and a morally bankrupt Doctor of Divinity. He learns that man's salvation depends on understanding God through spiritual rather than intellectual means, and that spiritual renewal must come from within. When Piers Plowman reappears, he has taken on the shape of Jesus. Langland presents a new version of Jesus' passion and his harrowing time in hell.

Langland argues that spiritual renewal must take place inside each person but also within the institution of the church itself, with organized religion bringing into maturity the virtues represented by Piers/Jesus. The poem ends as a bit of a cliffhanger, with the fate of society resting on humanity's ability to follow the example of Piers Plowman. Although some of what leads up to it is slow going, this final sequence is stunning. God is the hardest character for any author to create "on stage." Even Milton's versions come off as dry and boring. Langland somehow pulls it off: even non-Christians will gain a new appreciation of the pervasive power of Jesus' death.

Anyone who read some Chaucer during college should get the hang of the language of *Piers Plawman*. Read with proper Middle English pronunciation, Langland's alliterative poetry sounds wonderful; every sentence delights the ear. A reader unwilling to put up with Middle English should consult A.V.C. Schmidt's prose translation. Scholars quarrel with some of Schmidt's choices, but his version is far easier to read and still gets most of the poem's major ideas right.

Langland's poem possesses an incredible intellectual range, covering everything from sexual morality to the value of education. The poem prefigures many modern conservative views: Langland wants a society that sets rules for all of its members, helps only the truly needy, and prizes hard work. While hardly anyone will agree with them in full, his prescriptions for individual and social moral renewal are complete. Langland is one of the best poets in the English language: nearly every line has power. His poem is a rare work combining great artistic achievement with philosophical depth. Those searching for the keys to the moral and social renewal of western civilization could do far worse than to start here.

Eli Lehrer studied Piers Plowman *at Cornell University.*

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the Digest

SUMMARIES OF IMPORTANT NEW RESEARCH FROM THE NATION'S UNIVERSITIES, THINK TANKS, AND INVESTIGATIVE PUBLICATIONS

POLITICS

The Costs of Free TV Ads

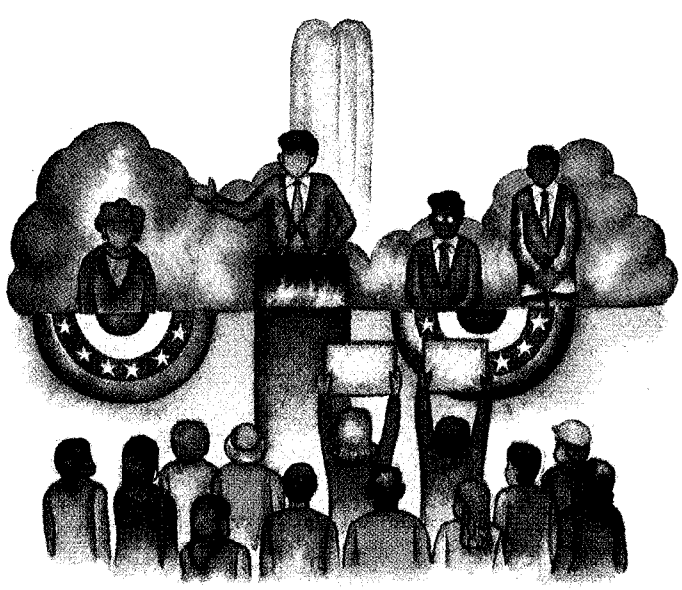
Lillian R. BeVier, Is Free TV for Federal Candidates Constitutional? *AEI Press, 1150 17th Street N.W., Washington, D.C. 20036.*

Congress is considering new laws that would require broadcasters to give away free air time to candidates for national offices, a rule that could eventually cost TV stations as much as $500 million every two years. Lillian BeVier, a professor at the University of Virginia Law School, suggests that the Supreme Court would probably declare such mandates unconstitutional. The very goals activists seek "are impermissible objectives for a government in a free society," she argues. Those goals include:

Saving money in political campaigns. President Clinton claims that free TV would "diminish the impact of excessive money" in politics. But if politicians didn't have to spend money on commercials, it isn't likely they would reduce their overall spending; rather, they'd push their money into other forms of advertising and promotion. In any event, the Supreme Court has overturned limits on campaign spending seven times since 1976.

Reducing the need for negative ads. Leading free-TV advocate Paul Taylor claims that mandating free air time would encourage "a campaign discourse that favors words over images and substance over sound bites." But BeVier asks why "government's coercive power" should be used "to improve the language of politics and combat negative campaigning," even assuming that politicians' criticizing opponents is somehow undesirable.

Free TV would reduce inequalities between incumbents and challengers. The Supreme Court has never directly ruled on whether equalization of campaign spending is constitutionally permissible, but the Court would likely strike down such a law for violating a politician's First Amendment right to free speech.



The Supreme Court, BeVier argues, would be justifiably skeptical about free-TV proposals. These proposals, she writes, "are to a disturbing extent inconsistent with traditions and values that most Americans revere deeply, despite whatever misgivings they may have about negative campaigning and the costs of running for political office."

Inequality Yes, Resentment No

Everett Carll Ladd and Karlyn H. Bowman, Attitudes Toward Economic Inequality. *AEI Press, 1150 17th Street N.W., Washington, D.C. 20036.*

Liberals love to argue that everyday Americans are envious of the wealthy and support government redistribution of income. But polls show little evidence for these assertions, according to Everett Ladd of the University of Connecticut and Karlyn Bowman of the American Enterprise Institute.

Polls suggest that middle- and lower-income Americans are ambivalent toward the well-to-do. In general, Americans are far more anti-welfare than anti-rich. Substantial majorities recognize that the wealthy "help create jobs and help provide prosperity." When rich men like Ross Perot or Steve Forbes run for office, voters are far more interested in their views than their wealth.

Ladd and Bowman contend that most citizens are more concerned with the opportunities available to themselves than the good fortune of others. Seven polls conducted from 1952 to 1997 show that between 63-87 percent of the public believe substantial economic opportunity exists in our country for people willing to work hard. Most Americans also believe they have greater opportunities than earlier generations.

Americans are unruffled by big business. Over the last four decades, pollsters have regularly asked Americans who they fear most: big government, big business, or big labor. Since 1968, big government has been the primary source of concern. In 1995, only 24 percent of respondents said they were frightened by big business, compared to 64 percent saying that of big

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government. "Although big business is not blameless in the public's eyes," Ladd and Bowman report, "big government seems to be a more consequential villain."

Given this fear of government, there's little evidence the public wants the state to redistribute incomes. Polls conducted since 1939 have consistently shown no majority support for a government limit on income. A 1997 poll conducted by the Democratic Leadership Council found that about one-third of those surveyed supported government redistribution of incomes, while the remaining two-thirds agreed that "government should work to increase opportunity, but not redistribute wealth."

ECONOMICS AND BUSINESS

A Different Kind of Giveaway

Pietro S. Nivola, "The New Pork Barrel," in The Public Interest *(Spring 1998), 1112 16th Street N.W. #530, Washington, D.C. 20036.*

Political scientists have long argued that government spending is wasteful because an "iron triangle" connects the executive branch, Congress, and special interests. In this theory, members of Congress try to please special interests by ordering the executive branch to engage in unnecessary "pork barrel" spending.

Pietro Nivola, a Brookings Institution senior fellow, thinks this view of government is obsolete. Today's pork barrel, he argues, is filled not with unnecessary spending projects but with "unfunded mandates, regulatory programs, targeted tax breaks, and public facilitation of lucrative private lawsuits." Those are the new booty supplied by Congress and the White House to special interests.

Burdensome new regulations often represent a kind of pork, says Nivola. Consider affirmative action laws. There are 160 different affirmative action programs in the federal government alone. The Equal Employment Opportunity Commission handled 88,000 cases in 1995, an increase of 150 percent since 1979.

Nivola doubts "the United States is 150 percent more bigoted, sexist, and biased" than it was at that earlier date. Instead, these huge increases, fueled by the Americans with Disabilities Act of 1990 and the Civil Rights Act of 1991, are largely a payoff to race activists and trial lawyers, who benefit handsomely from the lawsuits filed under these new laws.

Trial lawyers also benefit from America's system of consumer protection, where they can sue for alleged damages to consumers, reaping huge sums in contingency fees. Legislative efforts to reform the legal system have been blocked, largely because wealthy trial lawyers are generous political donors.

Trade laws also provide many opportunities for pork. The 1988 trade bill, for instance, contained clauses benefitting manufacturers, sunflower seed reapers, and hog producers.

All this regulation, Nivola estimates, costs American consumers $700 billion each year—more then they pay in income taxes. He expects this regulatory pork will continue to roll out of Washington, "compliments of a corpulent government whose excess weight remains unchecked."

SOCIETY

Where Charter Schools Work

James K. Glassman, "Class Acts," in Reason *(April 1998), 3415 South Sepulveda Boulevard #400, Los Angeles, California 90034.*

Charter schools—publicly funded but privately managed—are one of the most important educational innovations of the 1990s. There are now more than 780 charter schools in 29 states and the District of Columbia, that run entities ranging from local school boards to for-profit companies to local charities. About 300 charter schools have opened in the current school year alone.

Glassman of the American Enterprise Institute believes charter schools are making a difference. He focuses on the encouraging example of Arizona—a state that has two percent of the U.S. population, and a third of all charter schools. Arizona, he argues, shows how charter schools spur competition and innovation.

Arizona has a more flexible charter school law than most states. The main requirements are that schools have to meet statewide curriculum standards, pass an annual audit, and admit students without bias. They cannot be sectarian or display religious objects, although several schools are run by Mormons and one teaches Hebrew.

The schools are exempt from many regulations imposed on Arizona's public schools. Such schools do not have to be racially balanced, for instance, nor must they give preference to "at-risk" students, although some schools exist for the hearing-impaired and for teenage mothers.

Once approved, charter schools receive $4,200 per student (per year) from the state of Arizona to cover instructional expenses. The vast majority of schools are able to thrive with this fee; only two schools have failed financially. Meanwhile, traditional public schools are already feeling the competition. Mesa, Arizona, for example, has 91 public schools—68 traditional schools and 23

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charters. Because the charter schools are attracting conventional public school students representing $10 million worth of funding, the city school board has placed advertisements in local newspapers begging parents to trust public education again.

Other states have discouraged charter schools through overly strict controls. In Arkansas, for example, students are barred from moving from one charter school to another, and all charter school teachers must be members of statewide collective-bargaining agreements. As a result, there are no charter schools in Arkansas.

But Arizona, Glassman argues, shows how charter schools can create "spectacular variety and independence," producing the improved education that parents desperately seek.

Back to Leviticus?

Joe Loconte, "Making Criminals Pay," in Policy Review *(January/February 1998), Heritage Foundation, 214 Massachusetts Avenue N.E., Washington, D.C. 20002.*

Joseph Minotti was a habitual drunken driver who had been sentenced six times for driving while intoxicated. As he faced a Genesee County, New York judge for his seventh drunken-driving arrest, he could have been sent to jail for three to seven years. But rather than clapping him in prison, the judge ordered Minotti to enter the county's "pretrial diversion program." Minotti was placed under nightly house arrest for six months, and deputy sheriffs and counselors randomly visited his home to conduct urine tests and make sure he remained sober. Minotti was ordered to perform 200 hours of community service, meet weekly with a minister, and attend mandatory meetings of Mothers Against Drunk Driving. He also had to write a public apology in the local paper stating that he would never drink again.

Minotti has now stayed sober for seven years. And his triumph is not an isolated one, says Joe Loconte of *Policy Review.* Across America, scores of counties and cities are cutting down on jail time and rehabilitating chronic criminals through the "restorative justice movement."

The movement is based on Jewish and Christian principles and seeks to adapt Biblical standards of justice to our times. Restorative justice advocates argue that a crime is not just breaking a law, but a violation of what Jews call *shalom*—"the sense of wholeness between individuals, the community, and God." True justice, they argue, includes ensuring that a criminal makes proper restitution both to the victims of the crime and to the community.

There are about 300 restorative justice programs currently operating in America, according to Loconte. In Genesee County, for example, offenders routinely pay fines to "victims, their families, or organizations they designate." About 120 nonprofit groups cooperate with the county sheriff's office to provide criminals with useful community service work, while about 100 volunteers work as mentors who help criminals lead a more moral life.

Since 1985, about 3,200 offenders have entered Genesee County's diversion program; 92 percent have completed the program, and most have not committed crimes since. Indeed, 150 convicted felons have entered the diversion program, and about 20 percent have been re-arrested for another crime—half the national average.

Genesee County officials estimate that the county saves about $2 million a year by diverting criminals from jail. But more importantly, Loconte believes, restorative justice programs are redeeming lives.

Foundations Fiddle with Mega-projects

Rob Gurwitt, "With Strings Attached," in Governing *(April 1998), 1100 Connecticut Avenue N.W. #1300, Washington, D.C. 20036.*

America's foundations are growing steadily larger. According to the Foundation Center, a group of major U.S. foundations gave away $2 billion and had endowments of $30 billion back in 1975. By 1995, these foundations were donating $12 billion annually from endowments of $227 billion. *Governing* magazine's Rob Gurwitt suggests politicians be careful before entering into joint ventures with these nonprofits.

The Robert Wood Johnson Foundation, for instance, says it is devoted to improving America's health care. But in Kentucky, Missouri, and Pennsylvania, legislators are battling the foundation, claiming that it has been conniving to create state health insurance programs for uninsured children without legislative approval. A subcommittee of the Pennsylvania state legislature recently condemned the Robert Wood Johnson Foundation as a "purchaser of public policy" that "provided grants…to state, county, and local governmental bodies to develop new and existing government programs, all without the informed consent of the General Assembly."

Nonprofit aid to cities can also sometimes be problematic. Consider the Sandtown/Winchester project in Baltimore. Begun by the Enterprise Foundation created by developer James Rouse, it eventually became a $70 million effort involving 70 different funders. To its credit, the project has built or rehabilitated over 500 homes, and provided health care programs and job training for the deserving poor (even though Baltimore bureaucrats working in partnership with the group proved incompetent at such basic tasks as determining who owned the land where new homes would be built). But it's not clear the Sandtown/Winchester community will be able to sustain itself when the foundation grants run out. And "even should the project eventually create a thriving community," Gurwitt writes, the effort may not be replicable elsewhere.

Large foundations increasingly attempt projects comparable in scope to the oversized programs set up in the Great Society era. The Annie E. Casey Foundation, for example, is involved in a "neighborhood transformation" project which will attempt to remake dozens of poor communities to meet the foundation's standards.

Gurwitt thinks it unlikely the Casey Foundation program officers can persuade residents of America's inner cities to follow their advice. It's probable that "in at least some of the communities involved, people will come to ask why they should be paying attention to the agenda of some far-off, unelected, and highly unaccountable philanthropy."

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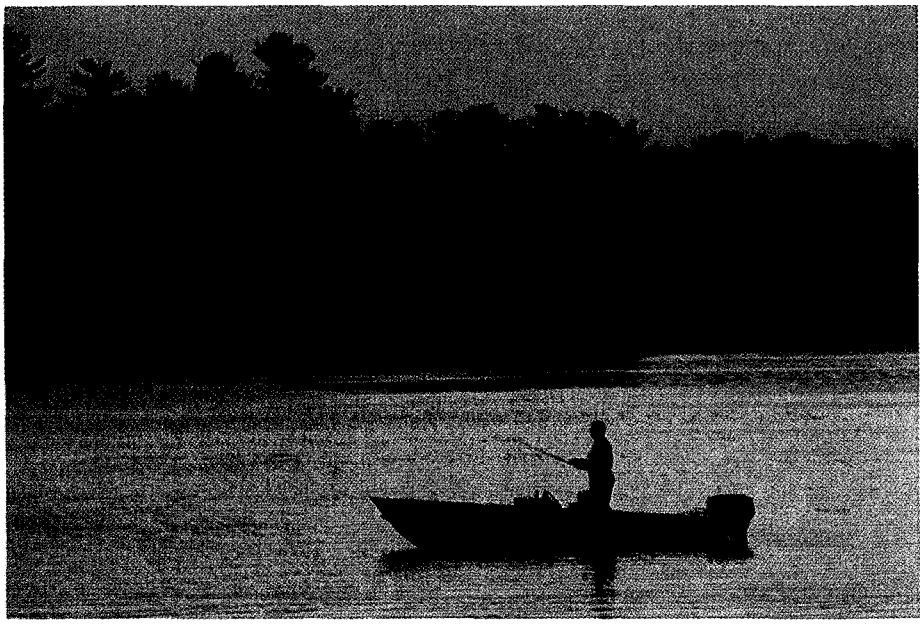

SCIENCE AND ENVIRONMENT

Branding Fish

Michael De Alessi, Fishing for Solutions, *Institute of Economic Affairs Environment Unit, 2 Lord North Street, London SW1P 3LB, England.*

Environmentalists argue that the world's supply of fish is shrinking. The press trumpets stories of fish supplies disappearing in the Canadian Atlantic, or of "cod wars" between England and Iceland. Governments around the world have responded to these concerns with stricter regulation and more lavish subsidies to fishers—totalling $54 billion in 1992, according to the United Nations Food and Agriculture Organization.

Michael De Alessi of the Competitive Enterprise Institute argues that if fishers had property rights, there might be a steadier supply of fish. Regulatory attempts to improve fishing have not been very successful, because fishers outwit strictures placed on them. When Alaskan halibut supplies started to dwindle, state regulators began limiting the halibut harvesting season, and fishers reacted by increasing their efforts. At one point, the halibut season was reduced to two days, resulting in many deaths as huge boats jostled each other to acquire massive amounts of halibut. Restrictions on the length of boats led to the building of wider boats, and limitations on the number of nets led to larger nets.

Perhaps the worst example of fishing regulation, De Alessi contends, is the European Union's Common Fisheries Policy, which combines large subsidies with stringent quotas on the amount of fish to be caught, resulting in vast waste. *The Economist* estimates that Europe's fishing fleet could be reduced by 40 percent without reducing its catch.

A better method of regulation, De Alessi argues, is the "Individual Transferable Quota" (ITQ). Invented in New Zealand in 1986, ITQs limit fish harvests by giving each fisher the right to catch a given amount of fish each year. These rights can then be bought and sold.

Currently used in New Zealand, Australia, Canada, Iceland, and the U.S., ITQs are a step above existing regulation but still have problems. It's possible that ITQs could evolve into something as burdensome as New York City taxi medallions, whose expense could make it quite costly for new fishers to enter the market.

De Alessi writes that the best eventual solution would be to develop technology that could perform a function similar to branding and barbed wire in the Old West. Some companies are developing satellites and heat-sensitive imaging systems to track fish schools. A French firm is testing sonar systems to see if they can "fence" fish into a particular area. MIT researchers are even developing a gadget that could herd fish the way dogs herd sheep.

If any of these systems are perfected, they could provide a substantial advance in fish regulation. "The extension of private ownership into the marine environment," De Alessi explains, "would not only transform the state of the world's fisheries, it would vastly improve marine conservation in general."

We welcome submissions of reports, articles, or papers you think should be summarized in THE DIGEST. Please send to P.O. Box 8093, Silver Spring, Maryland 20907.

A Cleaner Continent

Index of Leading Environmental Indicators. *Fraser Institute/Pacific Research Institute, 755 Sansome Street #450, San Francisco, California 94111. Principal authors: Steve Hayward and Laura Jones.*

In a 1997 poll, 79 percent of those surveyed agreed that "problems regarding pollution and the environment will get worse during my lifetime." A team of eight researchers led by the Pacific Research Institute's Steve Hayward and the Fraser Institute's Laura Jones have come to a contrary conclusion: both the U.S. and Canada are becoming cleaner.

Some examples:

Air pollution: Most major air pollutants have shown steady declines. Sulfur dioxide levels in the U.S., for example, fell by 61 percent between 1974-95. Carbon monoxide levels dropped by 64 percent during this period, largely because cars built in the 1990s emit about 97 percent less pollutants than those built two decades earlier. Lead levels fell by 97 percent in the U.S. between 1976-95, largely due to the use of unleaded gasoline. On average, the researchers calculate, air pollution levels have fallen by 42 percent in the U.S. between 1980-95.

Water pollution: A steady increase in sewage treatment plants has ensured dramatic reductions in the amount of impurities in America's water supply. The Great Lakes have also become far less polluted than in previous genera-

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tions. Potent pesticide use has been reduced by up to 90 percent, and birds like the double-breasted cormorant and the herring gull have been returning to the Great Lakes. Overall, say the researchers, U.S. water pollution has been reduced by 37 percent between 1980-95.

Solid waste. It's true that the amount of solid waste in the U.S. rose by 22 percent between 1980-94. But overall, the amount of waste produced in the U.S. is relatively small. Economist Clark Wiseman calculates that a plot of land 114 kilometers square and 37 meters deep could accommodate all the solid waste the U.S. will produce for the next 1,000 years.

Jones and Hayward agree that after combining all calculable indicators—including pollution, solid waste production, recycling, and forest growth—the U.S. is roughly 19 percent cleaner in 1995 than it was in 1980. "Fears about increasing environmental degradation," they write, "are unfounded."

OTHER COUNTRIES

Errant Population Fears

Nicholas Eberstadt, "Demography and International Relations," in The Washington Quarterly *(Spring 1998), MIT Press, 5 Cambridge Center, Cambridge, Massachusetts 02142.*

Many articles about global population just assume that overpopulation is a problem, and that the more people a poor country has, the likelier it is to remain poor. But Eberstadt of the American Enterprise Institute argues that these "obvious" facts often prove "to be either impossible to substantiate or demonstrably false."

What, for instance, does it mean to say a country is "overpopulated"? If overpopulation is measured by population density, then Bermuda must be overpopulated, because it has more people per square mile than Bangladesh. If overpopulation is measured by the rate at which a country's population rises, then the U.S. in the last half of the eighteenth century was overpopulated, since America's population shortly after independence rose at a faster annual rate than the population of Africa has risen in the past quarter-century.

Most of the problems associated with "overpopulation"—starving children, packed cities, disease—are actually problems of poverty, not of population. And on the poverty front, progress is being made. Between 1900 and 1992, the world's population has tripled, but economic historian Angus Maddison calculates that the global gross national product has quadrupled. Parts of the Third World have done quite well. Maddison calculates that Brazil's economy has increased by 600 percent during this period, while the Mexican and Turkish economies have quadrupled. Even the poorest countries are doing better than before. The average African nation is twice as rich today as it was in 1900.

Eberstadt also warns against accepting demographic forecasts uncritically. Demographers, he argues, are very good at calculating life spans of people who have already been born, but "cannot provide us guidance when it comes to the unborn—and to long-range population trends." A comparison of 1977 United Nations estimates of 1990's population levels to actual data, for instance, shows that most of the U.N. forecasts were substantially wrong. The demographers predicted that average Mexican women in the '90s would have at least five children; the actual rate is about three. Brazilian families, according to the U.N., would have four children on average in the 1990s; the actual rate is about two. Overall, Eberstadt calculates, the U.N. demographers predicted global families would have nearly one child more than they have actually had.

Eberstadt concludes that we should be wary of sweeping analyses of global population trends. "When it comes to population matters," he warns, "reach is often greater than grasp."

An Opening in Korea

Michael J. Mazarr, "Korea: A Time to Be Bold?" in The National Interest *(Spring 1998), 1112 16th Street N.W. #540, Washington, D.C. 20036.*

Both North and South Korea are in a state of crisis. The economy of South Korea collapsed in late 1997, as the value of the country's currency fell by 70 percent. South Korea must repay $150 billion in debt over the next few years, but it has only a few billion in reserves.

North Korea's economy has been on a much longer term decline, with as many as one-third of its people suffering from starvation. The country has so little electrical power that in December the government turned off the loudspeakers in the demilitarized zone that had blared Communist propaganda to the South for over 40 years.

Michael Mazarr of the *Washington Quarterly* suggests the crises of the two Koreas may lead to an opportunity for peace. Dramatic proposals that might ensure substantial improvements on the Korean peninsula now exist.

Mazarr proposes that North Korea move its armies ten to 15 miles further north, allowing an increase in the demilitarized zone between the two countries that would be guarded by U.N. peacekeeping forces. North Korea would also dock its submarines. Then economic sanctions against the country would be removed.

Mazarr believes removing the sanctions would have two benefits. First, a freer flow of ideas across the border would eventually undermine the Communist regime. Second, investments made by South Korean businesses in the north would improve the economic climate in both places, without strengthening the North Korean army, because militarily useful trade would continue to be banned. "Selling North Korea a thousand tank engines would enhance its military power in a meaningful way," Mazarr writes, but "allowing a hotel chain to build a resort on one of the North's picturesque mountains would not."

The success of this proposal depends on whether North Korea would accept the offer. Mazarr predicts that, given the increasingly desperate state of its economy, the North might. If that happened, the proposal would be an important step to make the Korean peninsula less dangerous.

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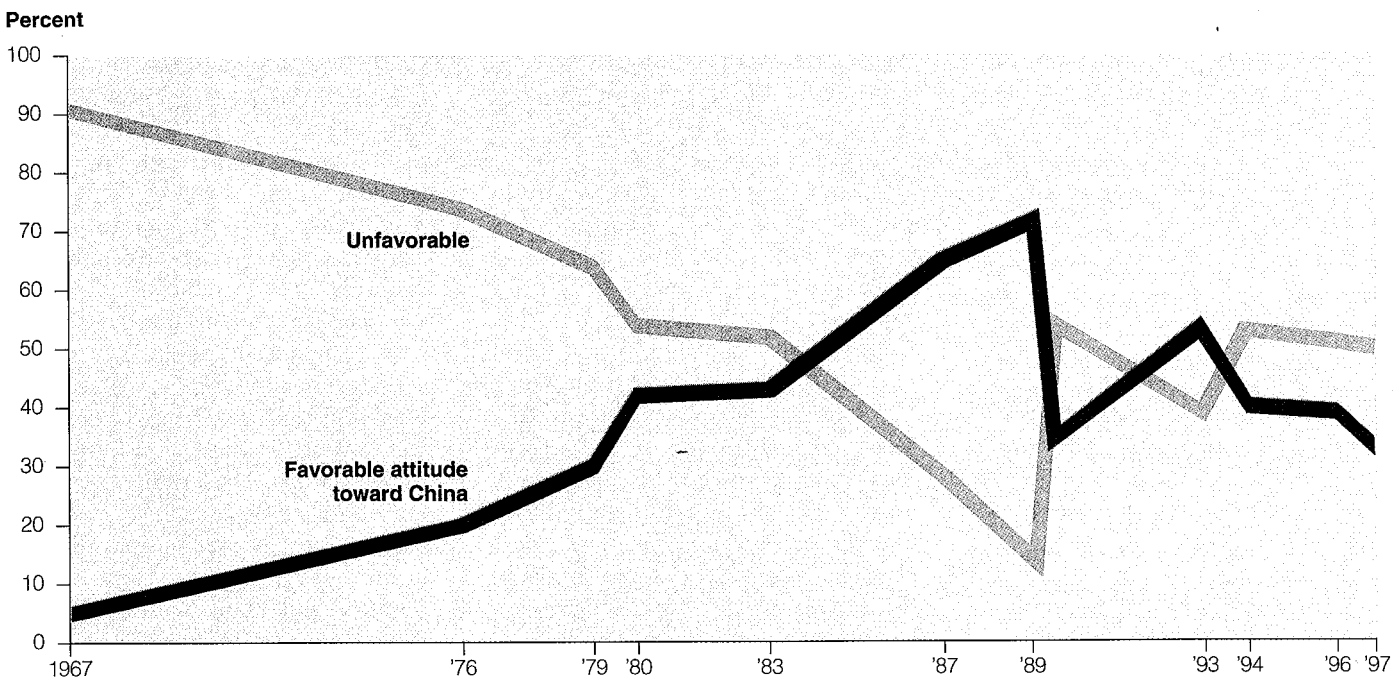
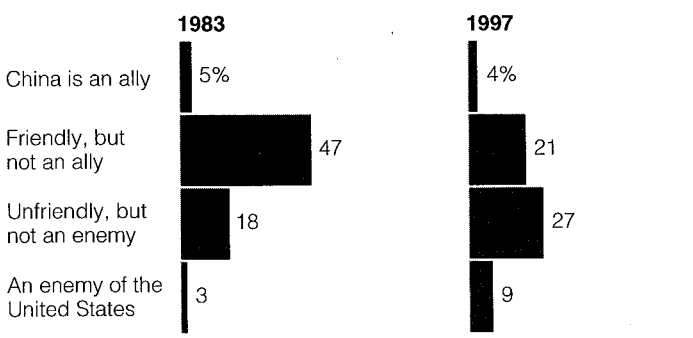
ATTITUDES TOWARD CHINA

Opinions about the People's Republic of China have not recovered from the events of Tiananmen Square in 1989. Today, just 33 percent of Americans have a favorable impression of the country, while 50 percent have an unfavorable one. Only 9 percent call the PRC an enemy of the United States; 27 percent characterize the country as "unfriendly, but not an enemy." Another two in ten say the country is "friendly, but not an ally." Far more Americans see China as a competitor and adversary than as a partner.



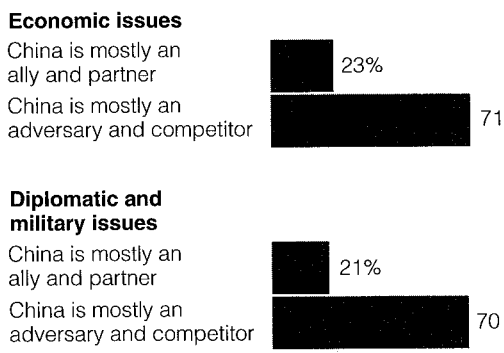
Source: Surveys by the Gallup Organization, latest that of June 1997.

Question: **Which of the following best describes your view of the relationship between China and the United States? Would you say...**



Source: Surveys by the *Los Angeles Times* (1983) and the Gallup Organization, October 1997.

Question: **When it comes to...?**



Source: Survey by *Wall Street Journal*, May 1997.

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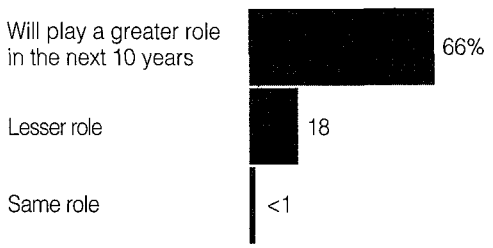
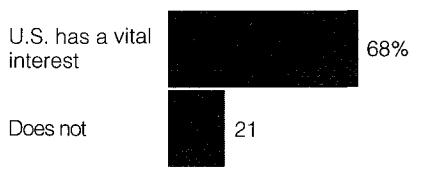
Two-thirds of the public believe that China will play a greater international role in the next ten years, and 68 percent say the U.S. has a vital interest in China. About a quarter say China is becoming more democratic and allowing its citizens more freedom, but 64 percent say this isn't happening. Slightly more, 34 percent, say China's economy is becoming more like Western free-market systems, but 55 percent say this is not the case. Americans support linking improvement on human rights in China to China's trading status.

Question: **Please tell me whether in your estimation the following countries will play a greater or lesser role in the next 10 years than they do today. China...**

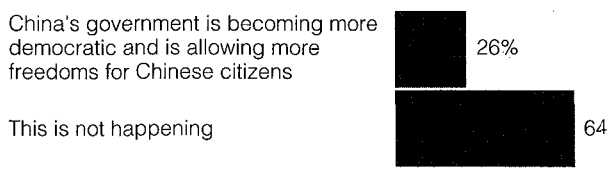


Question: **Many people believe that the United States has a vital interest in certain areas of the world and not in other areas. That is, certain countries of the world are important to the U.S. for political, economic or security reasons. In China...**

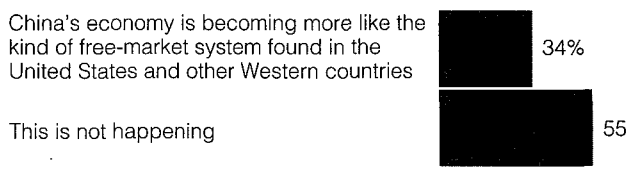


Source: Survey by the Gallup Organization for the Chicago Council on Foreign Relations, October 1994.

Question: **From what you know or have read, do you think...?**



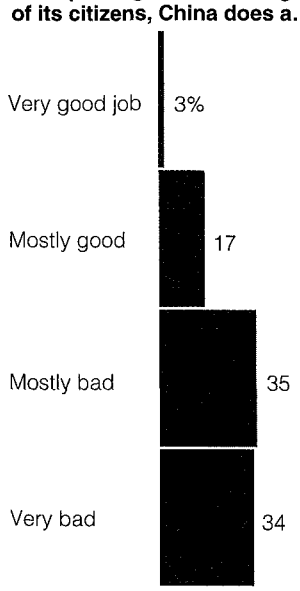
Question: **Do you think...?**



Source: Survey by the Gallup Organization, October 1997.

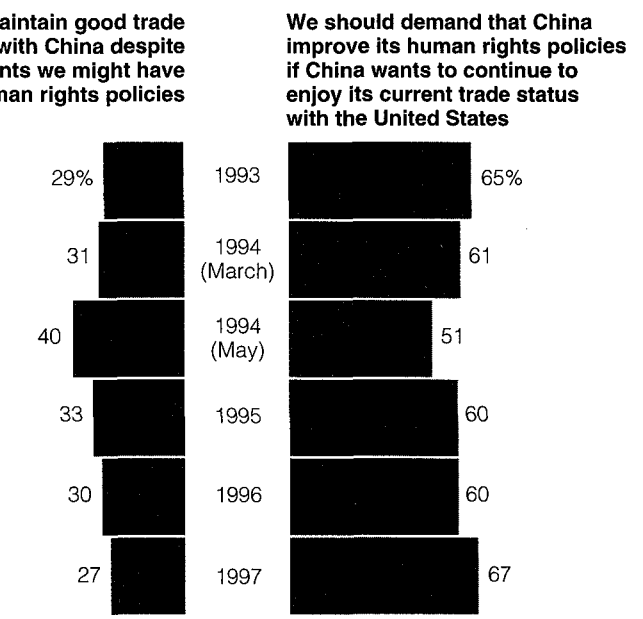
Question: **How would you rate the job the government of China does...?**

In respecting the human rights of its citizens, China does a...



Source: Survey by the Gallup Organization, May–June 1997.

Question: **Which one of the following statements comes closer to your point of view on our relationship with China...?**



Source: Surveys by NBC News/*Wall Street Journal*, latest that of April 1997.

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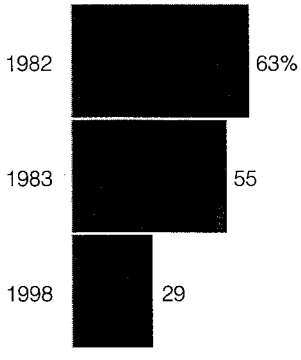
CUBA

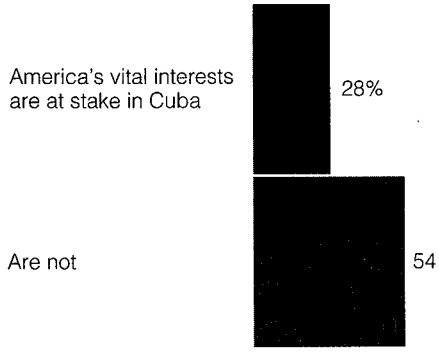
In contrast to China, most Americans don't see Cuba as a potential threat. Nor do most think our country's vital interests are at stake there. Americans weren't confident that Pope John Paul II's visit would lead to lasting improvement in either religious or political freedom in Cuba. Support for refusing to buy or sell goods while Castro is in power outweighs opposition (48 to 41 percent), though support for the embargo is down from 1961. Nearly three-quarters disagree that the United States should impose economic penalties on other countries that do business with Cuba.

Question: **As things stand now, would you say that...?**

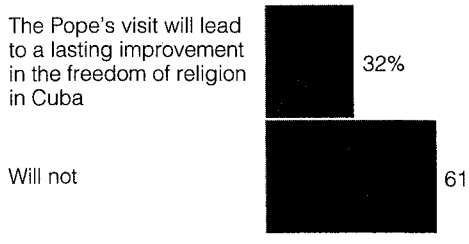
Cuba is a threat to the national security of the United States



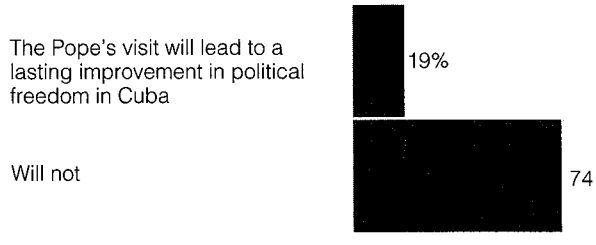
Question: **Do you think...?**



Question: **As you may know, Pope John Paul II will be visiting Cuba next week. Do you think...?**



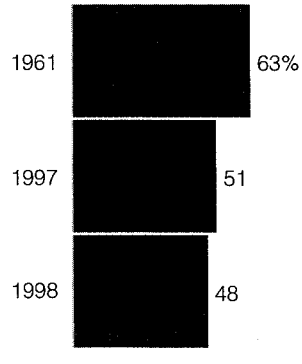
Question: **Do you think...**



Source: Survey by ABC News, January 1998.

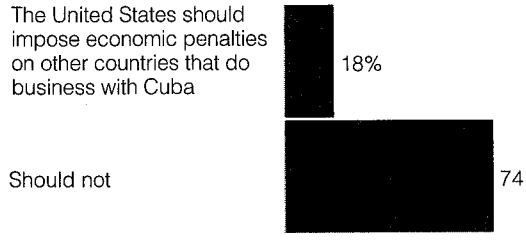
Question: **Some people say the United States should refuse to buy or sell products to Cuba so long as Castro is in power. Do you...?**

Agree, United States should refuse to buy or sell products to Cuba so long as Castro is in power.



Source: Surveys by the Gallup Organization (1961) and Yankelovich Partners, latest that of January 1998.

Question: **Suppose the U.S. trade embargo remains in place. Do you think...?**



Source: Survey by ABC News, January 1998.

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PUBLIC OPINION IN CHINA

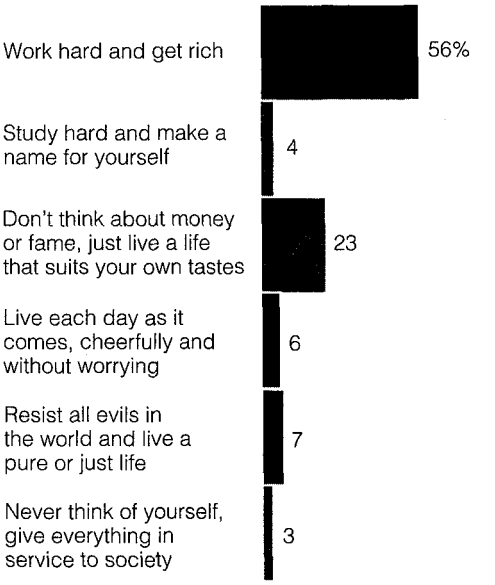
In 1994 and again in 1997, Gallup conducted extensive in-person surveys in China. The surveyors found that the Chinese expect their lives to improve and that working hard and getting rich is a top goal. While only 2 percent of homes have hot running water, nearly nine in ten have TVs. Ten percent are familiar with the Internet, but that proportion is higher among residents of Beijing and Shanghai. Nearly all urban Chinese want more done to improve air and water quality. As in many other places, there is a preference for goods made at home over foreign-made ones.

Question: **To indicate how you feel about life at this time.... Suppose the top of the mountain represents the best possible life you can imagine and the bottom step of the mountain represents the worst possible life you can imagine. On which step of the mountain would you say you, personally, feel you stand at this time...?**

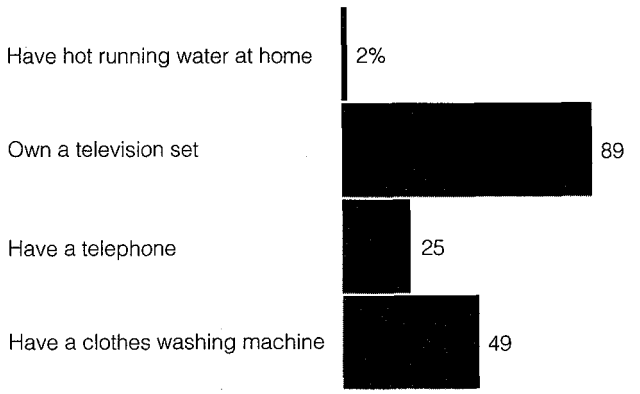
On a scale of 1 to 10

Note: Responses are averages.

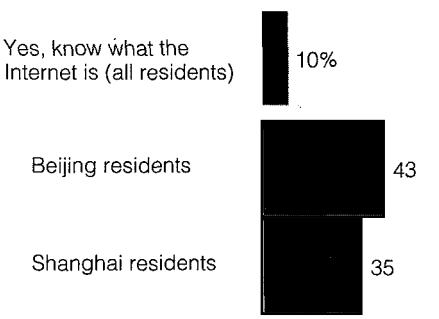
Question: **There are all sorts of attitudes toward life. Of those listed below, which one would you say comes closest to your own attitude...?**



Question: **As I read off each of the following items, would you tell me whether you have that item in your home at present, or not?**



Question: **Do you...?**



Question: **Do you...?**

Wish more was done to improve the quality of the air and water here

Question: **Do you...?**

Note: Sample=3,727, of which 2,609 were in urban sectors and 1,118 in rural areas. The survey was done in-person. The hour-long interviews were conducted in seven primary languages. The 1997 survey updates the 1994 Gallup survey in China.
Source: Survey by the Gallup Organization, Princeton, United States and Beijing/Shanghai/Guangzhou, People's Republic of China, 1997.

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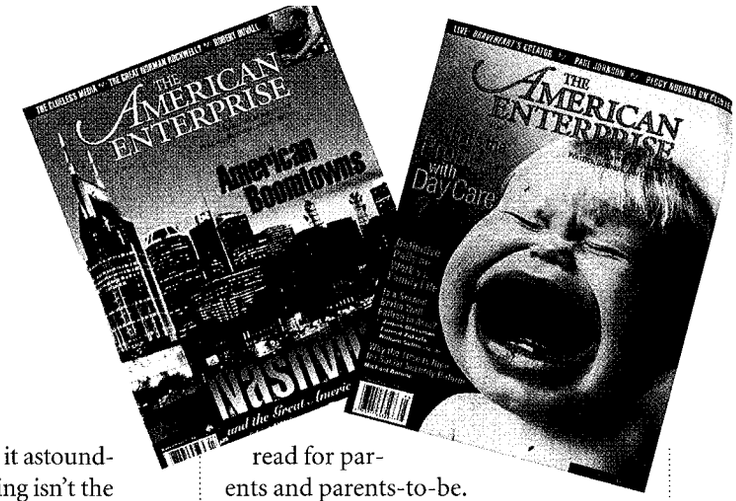
the Mail



Many thanks for the excellent series of articles on the inherent dangers of day care (May/June). Through the years, I have repeatedly observed that children who are raised by their mothers are well-adjusted and happy, while children who are left to day care programs can often be neurotic and whiny. Instinct alone should tell people that children need their parents as much as possible, especially in the early years.

Every article of *TAE* reaffirms my gratitude to my parents. Your Gen X articles (January/February) caused me to call them and thank them for the way they raised us. Now I need to call my mother and thank her both for staying home with us and for teaching me that fulfillment is not related to a paycheck.

Emily Goodey
Pfugerville, Texas

You are to be commended for daring each year to re-examine the issues of child rearing and education. After reading the variety of reports on day care, my thoughts returned to Barbara Dafoe Whitehead's essay ("Lost in Work," Sept./Oct. '95). How powerful is her warning about the current competition between having a career and raising a family. The workplace is bidding for and acquiring time once pledged to children, and the children have no way to make a reasonable counter offer.

After acknowledging the self-delusion involved in accepting day care and extended school day arrangements, I returned two years ago from a wonderful career, ceased warehousing my children, and began a homeschooling life with my working wife's blessing. The only drawback to our decison has been a loss of income that can be overlooked. With tradeoffs like these, isn't it astounding stay-at-home parenting isn't the norm in America?

Thomas J. Wiswell
Jacksonville, Florida

I commend *TAE* for a refreshing perspective on day care. Iris Krasnow's article, "Discovering Motherhood," was powerful, insightful, and unashamed. As a pastor in California, I have for some time shared with many people how my esteem for my wife (a school teacher) was amplified immeasurably with the sacrificial delivery and subsequent nurturing of our children. Momentary selfish tantrums of my own dissolve easily when either of my young daughters draws one of those school pictures of our very happy family. Your day care issue highlighted why family arrangements are so important to our society.

Steven Reyes
Christian Life International Bible College

Thank you for the issue on day care. I had my first child at age 36, just 17 months ago. While I was not completely prepared for the isolation of motherhood, the marginalization by society has been one of the toughest things I've ever experienced. Reading your feature articles helped me to feel justified in my role and even a bit ashamed that I ever questioned my decision to spend as much time as possible with my son. Who cares what anyone else thinks of me when his well-being is at stake. I thank you for putting our thoughts and experiences into words.

Susan Mahan
Harrisburg, Pennsylvania

The recent day care issue is the best I have seen on the topic, definitely a must read for parents and parents-to-be.

One of my colleagues became very defensive about having his children enrolled in day care so he and his wife could work and "survive" on two salaries. Of course, surviving includes a brand new sport utility vehicle and a weekend on South Miami Beach.

Ray Wisher
Cape Coral, Florida

As a resident of the Northeast and a Manhattan-based employee, I read your American Boomtowns issue (March/April) and felt that those of us in the Northeast owe those in the rest of the country an apology for our acts against them throughout the years. But then I thought otherwise when I remembered that the rest of the country has hated us for years and probably wouldn't accept an apology anyway.

The article did make some valid points about us. Everyone knows we are mostly arrogant, provincial, smug, and domineering. We're governed in many cases by regulation-happy, tax-wild, union-influenced, status-quo-loving legislators. We are paying for those sins by having an economy that's lagging while the rest of the country thrives. Is that the reason to pick on us? We've made our own bed, and we'll lie in it until someone decides to buy us a new bed.

The article by Kotkin and Friedman ("The Clueless Media") made some good points, but I was puzzled by an oversight on their part. Yes, *Fortune* recently picked New York as the number-one city for business. But if your authors had bothered to read this article, they would have found out that New York was also picked as North America's "most improved" city.

If the rest of the country is doing so

The American Enterprise welcomes your comments. Send to "The Mail," The American Enterprise, 1150 17th Street N.W., Washington, D.C. 20036. Or fax to (202) 862-5867. Or e-mail TheAmericanEnterprise@compuserve.com. Please include your address and phone number. Published letters may be edited for length and clarity.

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much better than we, what is the point of devoting an issue to disparaging us? Just ignore us if you don't like us; you're doing just fine anyway. We must be doing something right. Ten years ago, when I travelled, people pitied me when I told them I worked in Manhattan. Now, they usually envy me.

Michael Henderson
East Windsor, New Jersey

Blake Hurst is a living testimonial that a little knowledge is a dangerous thing. His disparaging comments about truck drivers tell only half the story about what those within the profession face every day. (IN REAL LIFE, May/June).

As someone who makes his living providing truck transport service, I don't want to be seen as an apologist for incompetent and indifferent truck drivers. The carrier who provided service to Hurst's business was either trying to accommodate a customer or hadn't been given the full details about where he would be taking his delivery. Readers should know that truck drivers don't usually determine what freight goes into their trailors.

People rarely stop to consider the tedious hours truck drivers encounter while on the job. What are truck drivers doing while you are having dinner with your family, or when you turn out the lights and crawl into bed?

Rate deregulation and unrestricted entry have driven the cost of transportation down for users of the system, but new regulations and compliance enforcement have pushed costs up for operators. These same factors have driven thousands of highly experienced drivers out of the industry. While Hurst's complaint insinuates that he has been singled out by an industry run amok, he is simply describing re-regulatory backlash in which carriers struggle to attract a very small number of qualified drivers and often end up accepting less qualified ones.

Les Taylor
Baltimore, Maryland

Bill Kauffman's jingoistic call to arms because Americans are being perverted by soccer is unduly alarmist (FLASHBACK, May/June).

Sports is big business in America—the stores selling jock straps far outnumber the stores selling books. Michael Jordan in Chicago is probably more widely known than the mayor, and certainly more popular. Football, the all-American sport so worshipped by Kauffman, takes a large portion of each week's viewing as we males bond together to watch the games and second-guess the coaches.

How is it that we've become such passive sports enthusiasts? Simply put, most of us are too sedentary to participate. We have grown up as sports watchers, not players. Why? Because, I suspect, Americans only admire success. If you are big enough to cream the opposition, you win. But failing to win, we become watchers.

In high school, I was the last chosen to play basketball—I'm vertically challenged and can't get the ball near the hoop. I wasn't even considered for football—one smack from the line and I'd be creamed shrimp headed for the hospital. My singular athletic ability consisted of being able to run without tiring. Luckily, I discovered soccer through a fellow who organized two teams to play in the public park. Did we learn soccer? I suppose so. Were we any good? Probably not. But for two summers we ran to our heart's ability to pump oxygen. We kicked the ball, we scooped it, we bounced it.

Kauffman's gloriously disorganized playgrounds for *real* football, baseball, and basketball never existed for most of us. But soccer was real, tiring, and fun. I dare say Kauffman has never experienced not being chosen in any of his "American sports." Well, to a boy, each of us soccer players had. But in our sport, we could out-run, out-kick, and out-score the *real* Americans.

I don't think the World Cup '94 was the disaster Kauffman proclaims. It showed the world a playing field in which intelligence played as much a part as massive brawn. And the games were fun to watch—which can't always be said for "Monday Night Football."

William Weaver
Oak Park, Illinois

Michael Barone's article in the May/June issue ("From Beneficiary to Investor") should be distributed to all who don't understand what personal investing can do for the average American. Social Security and Medicare were good temporary solutions to economic problems at one point in time. Today these ideas are entirely outdated. It is obvious these programs are going nowhere and it is now up to the people to take matters into their own hands.

We should look back into the history of our great nation and revisit the self-made man. We often forget this ideal made our country so prosperous. Government never has and never will cure us of our ills.

Sean M. Wallentine
Sacramento, California

In the May/June issue, Eli Lehrer incorrectly states that the Saturn-bound *Cassini* spacecraft contained a nuclear reactor (SCAN). Nothing could be further from the truth. *Cassini* carried plutonium, but not a nuclear reactor. The plutonium fueled a thermal generator that powered instruments through the heat of radioactive decay.

Linda Seebach
Denver, Colorado

John Meroney's article on Peggy Noonan (SCAN, May/June) caught my attention. Our current President has indeed treated the office as a "lite Presidency."

The *Iowa Gazette* recently reported that a group of high school students working as pages in the State Senate posed for a group photograph near the Senate President's chair, where a portrait of Bill Clinton hung in the background. A majority voted to remove the portrait for the photograph. One page said President Clinton "isn't the best role model for young people."

We should follow the example set by these students. As difficult as it is to have the President impeached, it is not difficult for each of us to impeach the President as the role model for our children.

We parents have a responsibility for damage control and to train our children in the way they should go. That's one thing big bureaucracy hasn't taken away from us yet. But watch out, unsuspecting parents, government child care is on its way.

Richard Obcena
Cadott, Wisconsin

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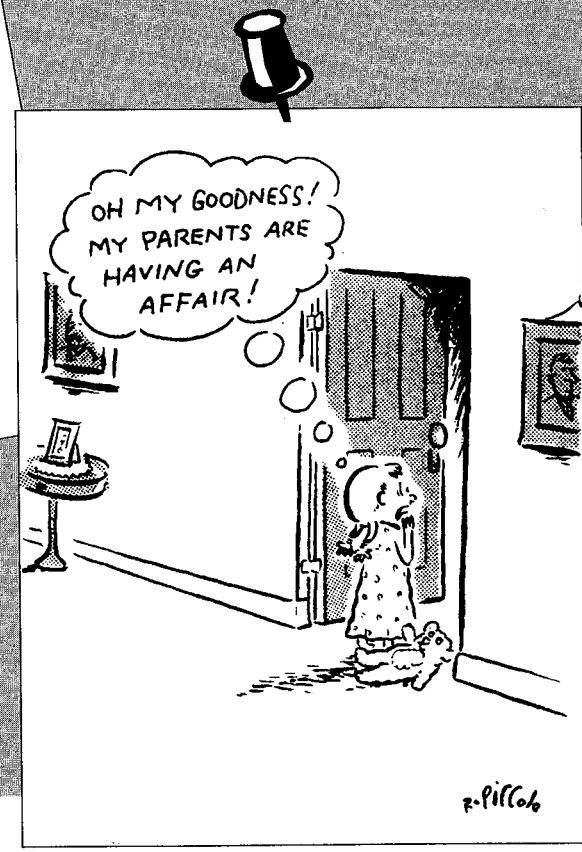
"I didn't know Secular Humanists *had* missionaries."

"I know far too much about bacteria to just relax and enjoy life!"

Top left—"From the Wall Street Journal—Permission, Cartoon Features Syndicate"



Rina Piccolo/Laugh Lines Press

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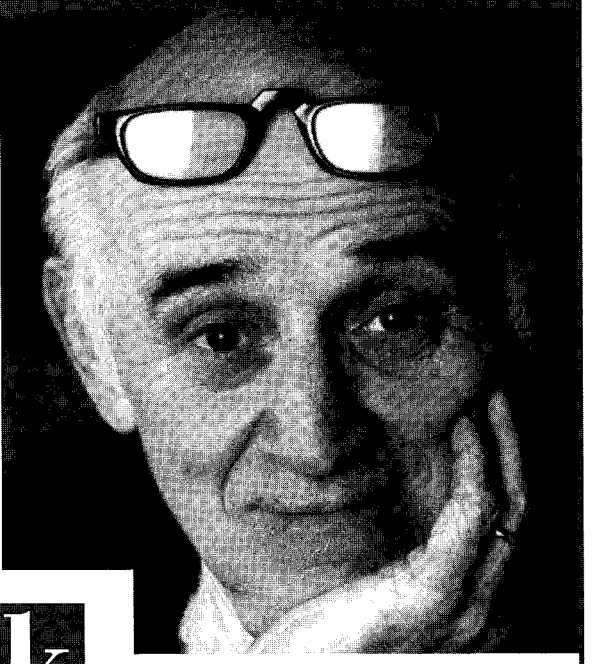
Think Tank Starts Its Fifth Season!

New Set, New Locations, New Shows.

Recent Guests Include:

Milton Friedman,
John Kenneth Galbraith,
Stephen Carter,
Martin Gilbert,
Stanley Fish,
Stanley Crouch,
Jeane Kirkpatrick,
Robert Bork,
Camille Paglia.



Look for programs in the coming weeks from:

Egypt,
Israel,
Canada,
Japan,
Muncie.

Think TANK
With BEN WATTENBERG

No Spinners.
No Food Fights.
No Dumbing Down.
No Kidding.

What People Are Saying About Think Tank

"Think Tank holds the audience and gives our line-up a different perspective."
Bob Dambach,
Dir. of TV Programming & Production,
Prairie Public TV (N.D.)

"Inspiring program… I watched …(the) discussion of Israel's transformation with growing excitement. Think Tank is about the best of PBS's intellectually-oriented talk shows. By comparison, some long-time offerings in the genre seemed tired, 'past their prime,' so to speak."
Viewer, Tom Shuford

"Once again you have brought us outstanding edutainment with your two programs on business fundamentals. Your guests... were so lucid and thorough that I was compelled to pay close attention… Keep up your marvelous work—you are the best of public television."
Viewer, William G. Smith, Holmes Beach, FL

"Thank you for your most excellent program…I'm addicted…wouldn't miss it…keep up the good work."
Viewer, Jay Silver, via email

"I just came across Think Tank while channel-surfing…I enjoyed the show's intelligence and think it is one of the more informative shows I've seen—I'm putting it on my 'Shows To Watch Regularly' list—which is a very short list."
Viewer, Jay Hendon, via email

"Across the desert of television, a few lush oases have flourished. They assume a certain intelligence on the part of the viewer…While other shows chewed over which welfare reform bill was likely to pass Congress, Wattenberg would ask whether welfare causes illegitimacy."
Washington Post T.V. critic Howard Kurtz, in *Hot Air: All Talk All the Time*

"I receive your program ... in Terrebonne, Quebec...I watch it every week and even have my computer programmed to give me a rooster crow every Sunday. I like your program and its moderator even though I disagree with him on a regular basis."
Viewer, Kriss Oddson, Quebec, Canada

"This is the first time in my life that I have ever felt compelled to write to a television program. Think Tank is a candle amidst the darkness of Jerry Springer, et al.

Thank you for... a program that facilitates an edu-cated discussion of pertinent topics.

I do have one question, which could ... be a topic for a show: What keeps Ben's glasses on top of his head?"
Viewer, Richard Hricik

"Your program is absolutely one of the very best on TV."
Viewer, Arthur L. Lowrie, San Francisco

AMGEN Thirteen·wnet PBS

The Lynde & Harry Bradley Foundation • The Lilly Endowment Inc. • The Donner Canadian Foundation • The John M. Olin Foundation • The U.S. Japan Foundation

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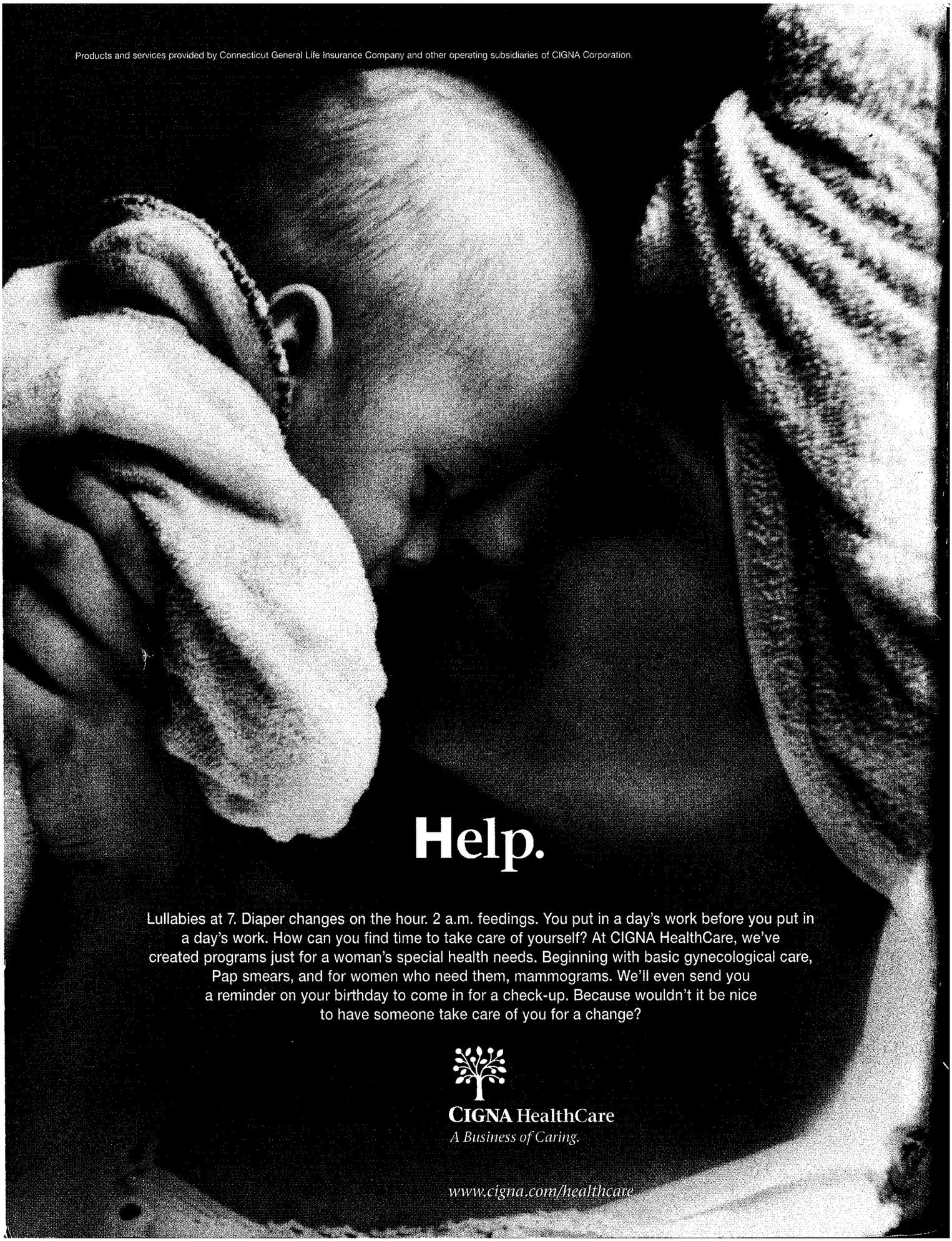

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